

ORIGINAL

UNITED STATES DISTRICT COURT  
~~SOUTHERN~~ DISTRICT OF NEW YORK

EASTERN

X

CHRISTOPHER SHAFFER, RICHMOND PIZZA, INC.,  
AL'S HYLAN, INC., CHRIS AMBOY PIZZA, INC.,  
ALEXANDRE POLIAKOV and SELL MORE PIZZA,  
INC.,

Civil Action No.

**CV 02-3898**

Plaintiffs,

NOTICE OF REMOVAL

**BLOCK, J.**

-against-

DOMINO'S PIZZA, LLC,

**POHORECKY, M.J. FILED**

IN CLERK'S OFFICE  
U.S. DISTRICT COURT, E.D.N.Y.

MS  
RSI

Defendant.

\* JUL 03 2002 \*

X BROOKLYN OFFICE

Pursuant to 28 U.S.C. §§ 1441 and 1446, defendant Domino's Pizza, LLC, by its  
attorneys Farrell Fritz, P.C., submit this Notice of Removal and state as follows:

1. On July 1, 2002, this action was commenced against the removing parties in the Supreme Court of the State of New York, County of Richmond, and is now pending.
2. The Southern District of New York embraces the place where this action is pending.
3. On July 2, 2002, defendant was served with a Summons and Complaint and an Order to Show Cause by overnight mail at the office of Farrell Fritz, P.C., EAB Plaza, Uniondale, New York.
4. Upon information and belief, no other parties have been joined and served as a defendant in the above-captioned action.

5. A copy of the Order to Show Cause, Complaint and all supporting documentation are annexed hereto and constitute all process, pleadings and orders served upon the defendant in this action.

6. At the time plaintiffs commenced this action in State court and at the time of removal, the defendant was and is a limited liability cooperative, formed and operating pursuant to the laws of the State of Michigan, with its principal place of business at 30 Frank Lloyd Wright Avenue, Ann Arbor, Michigan 48106.

7. Upon information and belief, at the time plaintiff commenced this action in State court and at the time of removal, plaintiffs were and are residents of Richmond County, State of New York.

8. Complete diversity of citizenship exists as between plaintiffs and the defendant.

9. Plaintiffs claim damages in excess of the amount of \$75,000, exclusive of interest and cost. This amount in controversy exceeds the jurisdictional minimum of this Court.

10. This Notice of Removal is signed pursuant to Rule 11 of the Federal Rules of Civil Procedure, and is filed with this Court within 30 days after service on the defendant of the Summons and Complaint in this action.

11. Written notice of filing of this Notice of Removal will be given to plaintiffs, and a copy will be filed in the appropriate state court, as required by 28 U.S.C. § 1446(d).

12. In filing this Notice of Removal, defendant does not waive any defense that may be available to it.

WHEREFORE, defendant respectfully requests that the action now proceeding against it be removed from the Supreme Court, State of New York, County of Richmond, to this Court.

Dated: Uniondale, New York  
July 3, 2002

FARRELL FRITZ, P.C.  
*Attorneys for Defendant*

By:

James M. Wicks (JW 6177)  
Michael J. Healy (6718)  
Joseph N. Campolo (JC 8079)  
EAB Plaza  
Uniondale, New York 11556  
(516) 227-0700

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At a Dec 1<sup>st</sup> <sup>PART 5</sup> Term of the Supreme Court of the State of New York, County of Richmond, at the County Courthouse thereof, located at 355  
FRONT ST., Staten Island, New York on the 1<sup>st</sup> day of July, 2002

P R E S E N T:

Honorable ALAN L. LEBOWITZ

, Justice

-----X  
CHRISTOPHER SHAFFER, RICHMOND PIZZA, INC., AL'S HYLAN, INC., CHRIS AMBOY PIZZA, INC., ALEXANDRE POLIAKOV and SELL MORE PIZZA, INC.,

**ORDER TO SHOW CAUSE**

Plaintiffs,

Index No. 12/92/02

-against-

DOMINO'S PIZZA, LLC,

Defendant.

-----X

Upon reading and filing the annexed Summons and Complaint of plaintiffs dated June 30, 2002, the affidavit of Christopher Shaffer, sworn to the 30th day of June, 2002, the affidavit of Alexandre Poliakov, sworn to the 30th day of June, 2002, the affidavit of Frank P. Costa sworn to the 1<sup>st</sup> day of July, 2002 and the Memorandum of Law.

**LET THE DEFENDANT SHOW CAUSE** before this Court at Part 5, Room 3-077 of this Court to be held in and for the County of Richmond, at the Courthouse located at 355 FRONT ST. Staten Island, New York on the 12<sup>th</sup> day of July, 2002, at 9:30 A.M. in the forenoon of that day or as soon thereafter as counsel can be heard, why an Order should not be made and entered ordering (a) the defendant to immediately reinstate and maintain all

plaintiffs with all of the rights, privileges and benefits of operating franchises of defendant; (b) defendant to immediately supply all inventory, products, goods and materials requested plaintiffs in the regular course of business and at the credit terms (not C.O.D.) enjoyed by plaintiffs' prior to any allegations of wrongdoing on the part of plaintiffs; (c) plaintiffs' use of defendant's tradenames, trademarks, copyrights and other Domino's Pizza identifications, marks, name, assumed name and registrations; (d) plaintiffs' use of their telephone numbers; (e) plaintiffs' use and possession of defendant's Operating Manual; (f) plaintiffs' use of the store premises as presently constituted; (g) payment of all fees and obligations on the part of plaintiffs in the same manner as existed prior to any allegations of wrongdoing on the part of plaintiffs; (h) defendant to stop harassing plaintiffs, treat them as well as all other franchisees and do business with plaintiffs on the same basis as existed prior to any allegations of wrongdoing on the part of plaintiffs; (j) the granting of a temporary restraining order and preliminary injunction for the injunctive relief requested herein; (k) the granting of the injunctive relief requested in the Complaint pending resolution of these matters at trial; (l) defendant to pay to plaintiffs their legal fees, costs and disbursements, (m) appointing a monitor to facilitate the sale of plaintiffs' Domino's Pizza stores to prospective purchasers, (n) defendant to allow plaintiffs to remain open, operate their business and supply plaintiff's with their inventory needs, (o) defendant to allow plaintiffs to sell their franchises and (p) and for such other, further and different relief which this Court may deem just and proper in the premises; and it is further

**ORDERED THAT PENDING THE HEARING AND DETERMINATION OF THIS MOTION** defendant shall (a) immediately reinstate and maintain all plaintiffs with all of the rights, privileges and benefits of operating franchises of defendant; (b) immediately (no later than the next day after service of this order) supply all inventory, products, goods and materials requested by plaintiffs to operate their franchises in the regular course of business and at the credit terms (not C.O.D.) enjoyed by plaintiffs' prior to any allegations of wrongdoing on the part of plaintiffs; (c) allow plaintiffs' use of defendant's tradenames, trademarks, copyrights and other Domino's Pizza identifications, marks,

name, assumed name and registrations; (d) allow plaintiffs' use of their telephone numbers; (e) allow plaintiffs' use and possession of defendant's Operating Manual; (f) allow plaintiffs' use of the store premises as presently constituted; (g) collect payment of all fees and obligations on the part of plaintiffs in the same manner as existed prior to any allegations of wrongdoing on the part of plaintiffs; (h) stop harassing plaintiffs, treat them as well as all other franchisees and do business with plaintiffs on the same basis as existed prior to any allegations of wrongdoing on the part of plaintiffs; (i) allow plaintiffs to remain open, operate their business and supply plaintiff's with their inventory needs and (j) allow plaintiffs to sell their franchises and it is further

**ORDERED** that pending the hearing and determination of this motion and the entry of an order therein, defendant, its agents, employees, employers, attorneys and all persons acting in concert, participation or combination with defendant, directly or indirectly, are hereby restrained and stayed from enforcing the terms of any terminations, operational defaults, financial defaults, reductions in service or any actions that prevent plaintiffs from enjoying all rights, privileges and benefits of being franchisees of defendants.

**ORDERED** that sufficient reason appearing therefore, let service of a copy of this Order together with the papers upon which it was granted be sent on or before July 3, 2002 by Federal Express for next day delivery upon defendant at its office located at 2550 Victory Boulevard, Staten Island, New York 10314, or its corporate headquarters, be deemed sufficient; and it is further

**ORDERED** that sufficient reason appearing therefore, let service of a copy of this Order To Show Cause (without exhibits) providing for relief for defendants be faxed to defendant at its corporate office or headquarters, which shall constitute notice to comply with same; and it is further

**ORDERED** that all answering papers be served upon Mitchell J. Kassoff, attorney for

plaintiffs, so that he receives same at least five (5) business days before the return date for this motion.

ENTER

/s/

, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF RICHMOND

CHRISTOPHER SHAFFER, RICHMOND  
PIZZA, INC., AL'S HYLAN, INC., CHRIS  
AMBOY PIZZA, INC., ALEXANDRE POLIAKOV  
and SELL MORE PIZZA, INC.,

Plaintiffs,

**AFFIDAVIT  
IN SUPPORT  
OF ORDER TO  
SHOW CAUSE**

-against-

Index No.

DOMINO'S PIZZA, LLC,

Defendant.

STATE OF NEW YORK )  
: ss.:  
COUNTY OF RICHMOND)

CHRISTOPHER SHAFFER, being duly sworn, deposes and says:

1. I am the president of Richmond Pizza, Inc., Al's Hylan, Inc. and Chris Amboy Pizza, Inc., plaintiffs in this action and am fully familiar with the facts stated herein.
2. I make this affirmation in support of the relief requested in the annexed Order To Show Cause.
3. The Summons and Verified Complaint as to this matter are annexed hereto as Exhibit "A."
4. Richmond Pizza, Inc. became a franchisee of defendant (store 3676) in January 1996.
5. Al's Hylan, Inc. became a franchisee of defendant (store 3529) in December 1996.
6. Chris Amboy Pizza, Inc. became a franchisee of defendant (store 3673) in October 1998.
7. Sell More Pizza, Inc. became a franchisee of defendant (store 3512) in September

1999.

8. Richmond Pizza, Inc., Al's Hylan, Inc., Chris Amboy Pizza, Inc. and Sell More Pizza, Inc. were franchisees of defendant up to the time of defendant's recent improper termination of that status.

9. Upon information and belief defendant is an out of state Limited Liability Company with corporate headquarters located in Ann Arbor, Michigan and with a place of business located at 2550 Victory Boulevard, Staten Island, New York 10314.

10. Plaintiff corporations were (until very recently) all in the business of operating Domino's Pizza franchise retail outlets specializing in the sale of pizza and other authorized food and beverage products and featuring carry-out and delivery services.

11. Each plaintiff corporation executed a standard franchise agreement with defendant to operate such a Domino's Pizza Store under the Domino's system and a sublicense to use the marks in the operation of the store at a specific location in Richmond County, State of New York.

12. Plaintiffs have been model franchisees over the years.

13. Plaintiffs have been awarded numerous achievement awards and commendations by defendant over the years (Exhibit "B").

14. The documents listed in Exhibit "B" do not include approximately ten plaques and other awards issued to plaintiffs by defendant.

15. Because of the hard work and efforts of plaintiffs, defendant now has a strong and valuable presence in Staten Island.

16. During the past six years, plaintiffs have worked extraordinarily hard to develop and market the subject Domino's Pizza franchise businesses by working huge hours.

17. Due to plaintiffs' long and arduous work they have obtained great financial success

(Exhibit "C").

18. Several years ago plaintiff wished to purchase a store in Brooklyn, New York.
19. Plaintiffs were told by defendant that they should first reopen a store where a franchisee had just gone out of business in Staten Island.
20. Defendant stated that after this store was reopened plaintiffs would be allowed to build a store in Brooklyn, New York.
21. Defendant refused to honor this promise and instead defendant built a corporately owned store at this location.
22. Plaintiffs followed the orders of defendant and built up their Staten Island businesses.
23. In 2000 plaintiffs invested \$570,000 in their stores to build a new store and relocate two other stores to better locations.
24. In February 2002 defendant terminated plaintiffs' franchise for one of the stores because the Makeline refrigerator had to be repaired on several occasions.
25. Defendant stated that if we bought a new Makeline refrigerator from defendant for \$7,000 defendant would cancel its termination.
26. A Makeline refrigerator typically sells for approximately \$2,800.
27. Even though we followed defendant's instructions and purchased a \$2,800 Makeline refrigerator for \$7,000 that we really did not need, defendant still terminated our franchise.
28. Plaintiffs decided to sell one of their franchises.
29. When asked if defendant would allow a manager of plaintiff's store to purchase a franchise defendant stated that it would not allow this sale to someone connected with plaintiffs. This is despite the fact that the typical purchaser of defendant's franchises has traditionally been managers of stores.

30. Plaintiff provided a different purchaser who met the criteria of defendant (see annexed Exhibit "D").
31. Defendant has failed to act on this application or respond in any manner whatsoever.
32. Now that plaintiffs have developed the Staten Island market, defendant has engaged in a series of activities to steal the fruits of our work.
33. Plaintiffs have been discriminated against in that defendant is taking far more aggressive and serious action against plaintiffs as compared to other franchisees of defendant.
34. Defendant changed the insurance requirements for plaintiffs.
35. Plaintiffs and its insurance cooperated in every possible way with defendant.
36. Defendant kept changing its new requirements making it impossible for plaintiffs to meet them.
37. For the past several months defendant has been making numerous inspections.
38. During these inspections defendant has been using its subjective criteria to rate plaintiffs.
39. Based on these subjective criteria defendant has stated that plaintiffs were in breach of their agreement and had to cure defects.
40. Plaintiffs took all possible steps to keep in compliance with the agreement and cure all defects, whether or not they were real, to avoid problems with defendant.
41. These "inspections" were simply part of a plan to make a paper trail to seize plaintiffs' stores and steal our work of many years.
42. Undoubtedly, these notices will be presented to the Court in an attempt for defendant to justify its actions.
43. By letter dated June 21, 2002 (Exhibit "E") defendant once again terminated a

franchise and stated that defendant would stay legal proceedings until July 21, 2002 to allow plaintiffs to sell the store.

44. Due to the requirements of defendant it would be impossible for us to sell the store in the stated time period.

45. By letters dated June 25, 2002 (Exhibit "F") defendant placed us on C.O.D. for deliveries.

46. The C.O.D. basis upon which defendant placed plaintiff was not because plaintiff failed to make any payments to defendant.

47. Due to the nature of the cash flow of this business this placed us in a serious financial difficulty and was done to attempt to drive us out of business.

48. In response to this impossible situation we retained an attorney and had him send letters dated June 26, 2002 (Exhibit "G") to attempt to have this matter resolved without the need for litigation.

49. In response to our attorney's letter we received a call from Scott Hoots, defendant's franchise director in the Baltimore office, which covers our territory. During this call he asked if we would meet with him.

50. We told him that we would be glad to meet with him and stated that we would have our attorney attend the meeting.

51. Mr. Hoots told us that he would not meet with us if our attorney attended the meeting.

52. In the hopes of resolving this matter without the need for litigation, we agreed to meet with him without our attorney being present.

53. Once we met with Mr. Hoots it became apparent why he did not want our attorney present.

54. The purpose of this meeting was not to resolve any difficulties or problems between us.
55. At the meeting Mr. Hoots told us that defendant would purchase our stores according to a formula, which works out to a purchase price of approximately \$800,000.
56. This was despite the fact that defendant had refused to act on the purchase offer submitted to plaintiffs \$2,300,000 for an independent purchaser.
57. We told him that since we had a buyer willing to pay \$2,300,000 we would not sell the stores to defendant for approximately \$800,000.
58. Mr. Hoots then handed to us the termination letters dated June 27, 2002 (Exhibit "H").
59. Mr. Hoots then stated that we no longer had any stores to sell for any price.
60. This termination was an act by defendant as a result of our failure to bow to defendant's extortion to take over our stores and the Staten Island market for one (1/3) third the price for which defendant was informed that we had a buyer.
61. On June 28, 2002 defendant refused to make a scheduled delivery of product necessary to operate the franchise.
62. As a result of defendant's actions, plaintiffs are unable to operate their franchise or meet their obligations.
63. In response to this situation we had our attorney send a letter dated June 28, 2002 (Exhibit "I") to attempt to have this matter resolved so that defendant would not force us out of our franchise business.
64. Although this letter was faxed at approximately noon on Friday, neither we nor our attorney have received any response.
65. By refusing to make deliveries of product and materials or allow plaintiffs to operate

their franchises plaintiffs have caused and will continue to cause irreparable harm to plaintiffs.

66. The harm includes plaintiff's inability to sell our franchises, which are worth in excess of Two Million (\$2,000,000) Dollars.

67. The inability to sell the franchises is that prospective purchases will not purchase a franchise unless they can observe them in operation.

68. As shown in the accompanying exhibits, plaintiffs have made every possible effort to work with defendant to avoid the necessity of coming to this Court to seek relief.

69. Plaintiffs' desire is to continue to operate their stores. However, it appears that due to defendant's hostility it might be prudent to sell our stores.

70. The purpose of this application for an appointment of a monitor is that defendant has failed to act reasonably and in good faith in approving a prospective purchaser and would most likely continue to fail to act in good faith.

71. The granting of the requested Temporary, Preliminary and Permanent injunctions is desperately needed to avoid the loss of more than six years of hard work that plaintiffs incurred to build up the businesses so they are now very profitable.

72. If Temporary, Preliminary and Permanent injunctions are not granted, plaintiffs' businesses will be destroyed and more than six years of work will be lost.

73. Monetary damages will not be sufficient to make plaintiffs whole since it cannot be known how much money plaintiffs would have earned during the time it will take to resolve this matter.

74. In addition, monetary damages will not be sufficient to make plaintiffs whole since plaintiffs will have lost the opportunity to sell its franchises to prospective purchasers during the time it will take to resolve this matter.

75. Once a prospective purchaser is lost this loss can never be calculated or recovered since the purchaser will have made a different investment or purchase during this time period and will no longer be interested in purchasing plaintiffs' franchises.

76. Since the prospective purchasers will no longer be interested in purchasing plaintiffs' franchises after the conclusion of litigation the loss will be permanent and irreparable.

77. Plaintiffs' franchises are locally owned and operated. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will suffer a permanent and irreparable loss of customer base and goodwill.

78. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their contract with Wagner College, which provides great recognition and generation of orders from students, who are notoriously large pizza consumers.

79. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their leases and location. The location of a franchise is one of the most important aspects of how well it will succeed.

80. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their telephone number. This is how approximately 85% of our customers communicate with us.

81. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their expert employees. The employees are needed to operate the business and to obtain replacements will be extremely difficult.

82. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will default on bank loan payments which will destroy our credit and make it impossible to operate a business in the future.

83. Therefore, if the requested Temporary, Preliminary and Permanent injunctions are not granted the damages will be truly irreparable.

84. If the requested Temporary, Preliminary and Permanent injunctions are not granted defendant will in effect have stolen all of our work.

85. The granting of the requested Temporary, Preliminary and Permanent injunctions will in no way harm defendant and in fact will enrich defendant since defendant will still earn the franchise royalties for all sales made.

86. Therefore, the granting of the requested Temporary, Preliminary and Permanent injunctions will not harm defendant in any way, while the requested Temporary, Preliminary and Permanent injunctions will protect the plaintiffs and allow this Court to do justice.

87. Plaintiffs respectfully request that this Court grant the requested Temporary, Preliminary and Permanent injunctions to prevent plaintiffs from losing their life's work.

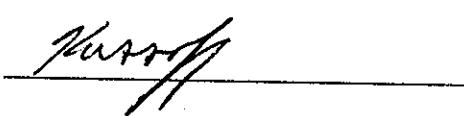
88. No prior application for the relief requested herein has been made in this or any other court.

**WHEREFORE**, plaintiffs pray that an order be entered herein granting the relief requested in the annexed Order To Show Cause.



CHRISTOPHER SHAFFER

Sworn to before me this 30<sup>th</sup>  
day of June, 2002



MITCHELL KASSOFF  
Notary Public, State of New York  
No. 31-4684254  
Qualified in New York County  
Commission Expires 3/29/2002

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF RICHMOND

CHRISTOPHER SHAFFER, RICHMOND  
PIZZA, INC., AL'S HYLAN, INC., CHRIS  
AMBOY PIZZA, INC., ALEXANDRE POLIAKOV  
and SELL MORE PIZZA, INC.,

Plaintiffs,

**AFFIDAVIT  
IN SUPPORT  
OF ORDER TO  
SHOW CAUSE**

-against-

Index No.

DOMINO'S PIZZA, LLC,

Defendant.

STATE OF NEW YORK )  
: ss.:  
COUNTY OF RICHMOND)

ALEXANDRE POLIAKOV, being duly sworn, deposes and says:

1. I am the president of Sell More Pizza, Inc., plaintiff in this action and am fully familiar with the facts stated herein.
2. I make this affirmation in support of the relief requested in the annexed Order To Show Cause.
3. The Summons and Verified Complaint as to this matter are annexed hereto as Exhibit "A."
4. Richmond Pizza, Inc. became a franchisee of defendant (store 3676) in January 1996.
5. Al's Hylan, Inc. became a franchisee of defendant (store 3529) in December 1996.
6. Chris Amboy Pizza, Inc. became a franchisee of defendant (store 3673) in October 1998.
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8. Richmond Pizza, Inc., Al's Hylan, Inc., Chris Amboy Pizza, Inc. and Sell More Pizza, Inc. were franchisees of defendant up to the time of defendant's recent improper termination of that status.

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10. Plaintiff corporations were (until very recently) all in the business of operating Domino's Pizza franchise retail outlets specializing in the sale of pizza and other authorized food and beverage products and featuring carry-out and delivery services.

11. Each plaintiff corporation executed a standard franchise agreement with defendant to operate such a Domino's Pizza Store under the Domino's system and a sublicense to use the marks in the operation of the store at a specific location in Richmond County, State of New York.

12. Plaintiffs have been model franchisees over the years.

13. Plaintiffs have been awarded numerous achievement awards and commendations by defendant over the years (Exhibit "B").

14. The documents listed in Exhibit "B" do not include approximately ten plaques and other awards issued to plaintiffs by defendant.

15. Because of the hard work and efforts of plaintiffs, defendant now has a strong and valuable presence in Staten Island.

16. During the past six years, plaintiffs have worked extraordinarily hard to develop and market the subject Domino's Pizza franchise businesses by working huge hours.

17. Due to plaintiffs' long and arduous work they have obtained great financial success

(Exhibit "C").

18. Several years ago plaintiff wished to purchase a store in Brooklyn, New York.
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20. Defendant stated that after this store was reopened plaintiffs would be allowed to build a store in Brooklyn, New York.
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30. Plaintiff provided a different purchaser who met the criteria of defendant (see annexed Exhibit "D").
31. Defendant has failed to act on this application or respond in any manner whatsoever.
32. Now that plaintiffs have developed the Staten Island market, defendant has engaged in a series of activities to steal the fruits of our work.
33. Plaintiffs have been discriminated against in that defendant is taking far more aggressive and serious action against plaintiffs as compared to other franchisees of defendant.
34. Defendant changed the insurance requirements for plaintiffs.
35. Plaintiffs and its insurance cooperated in every possible way with defendant.
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37. For the past several months defendant has been making numerous inspections.
38. During these inspections defendant has been using its subjective criteria to rate plaintiffs.
39. Based on these subjective criteria defendant has stated that plaintiffs were in breach of their agreement and had to cure defects.
40. Plaintiffs took all possible steps to keep in compliance with the agreement and cure all defects, whether or not they were real, to avoid problems with defendant.
41. These "inspections" were simply part of a plan to make a paper trail to seize plaintiffs' stores and steal our work of many years.
42. Undoubtedly, these notices will be presented to the Court in an attempt for defendant to justify its actions.
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60. This termination was an act by defendant as a result of our failure to bow to defendant's extortion to take over our stores and the Staten Island market for one (1/3) third the price for which defendant was informed that we had a buyer.
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63. In response to this situation we had our attorney send a letter dated June 28, 2002 (Exhibit "I") to attempt to have this matter resolved so that defendant would not force us out of our franchise business.
64. Although this letter was faxed at approximately noon on Friday, neither we nor our attorney have received any response.
65. By refusing to make deliveries of product and materials or allow plaintiffs to operate

their franchises plaintiffs have caused and will continue to cause irreparable harm to plaintiffs.

66. The harm includes plaintiff's inability to sell our franchises, which are worth in excess of Two Million (\$2,000,000) Dollars.

67. The inability to sell the franchises is that prospective purchases will not purchase a franchise unless they can observe them in operation.

68. As shown in the accompanying exhibits, plaintiffs have made every possible effort to work with defendant to avoid the necessity of coming to this Court to seek relief.

69. Plaintiffs' desire is to continue to operate their stores. However, it appears that due to defendant's hostility it might be prudent to sell our stores.

70. The purpose of this application for an appointment of a monitor is that defendant has failed to act reasonably and in good faith in approving a prospective purchaser and would most likely continue to fail to act in good faith.

71. The granting of the requested Temporary, Preliminary and Permanent injunctions is desperately needed to avoid the loss of more than six years of hard work that plaintiffs incurred to build up the businesses so they are now very profitable.

72. If Temporary, Preliminary and Permanent injunctions are not granted, plaintiffs' businesses will be destroyed and more than six years of work will be lost.

73. Monetary damages will not be sufficient to make plaintiffs whole since it cannot be known how much money plaintiffs would have earned during the time it will take to resolve this matter.

74. In addition, monetary damages will not be sufficient to make plaintiffs whole since plaintiffs will have lost the opportunity to sell its franchises to prospective purchasers during the time it will take to resolve this matter.

75. Once a prospective purchaser is lost this loss can never be calculated or recovered since the purchaser will have made a different investment or purchase during this time period and will no longer be interested in purchasing plaintiffs' franchises.

76. Since the prospective purchasers will no longer be interested in purchasing plaintiffs' franchises after the conclusion of litigation the loss will be permanent and irreparable.

77. Plaintiffs' franchises are locally owned and operated. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will suffer a permanent and irreparable loss of customer base and goodwill.

78. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their contract with Wagner College, which provides great recognition and generation of orders from students, who are notoriously large pizza consumers.

79. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their leases and location. The location of a franchise is one of the most important aspects of how well it will succeed.

80. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their telephone number. This is how approximately 85% of our customers communicate with us.

81. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their expert employees. The employees are needed to operate the business and to obtain replacements will be extremely difficult.

82. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will default on bank loan payments which will destroy our credit and make it impossible to operate a business in the future.

83. Therefore, if the requested Temporary, Preliminary and Permanent injunctions are not granted the damages will be truly irreparable.

84. If the requested Temporary, Preliminary and Permanent injunctions are not granted defendant will in effect have stolen all of our work.

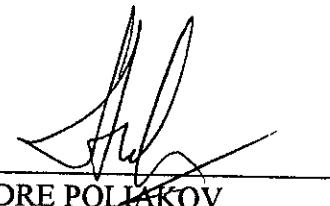
85. The granting of the requested Temporary, Preliminary and Permanent injunctions will in no way harm defendant and in fact will enrich defendant since defendant will still earn the franchise royalties for all sales made.

86. Therefore, the granting of the requested Temporary, Preliminary and Permanent injunctions will not harm defendant in any way, while the requested Temporary, Preliminary and Permanent injunctions will protect the plaintiffs and allow this Court to do justice.

87. Plaintiffs respectfully request that this Court grant the requested Temporary, Preliminary and Permanent injunctions to prevent plaintiffs from losing their life's work.

88. No prior application for the relief requested herein has been made in this or any other court.

**WHEREFORE**, plaintiffs pray that an order be entered herein granting the relief requested in the annexed Order To Show Cause.



ALEXANDRE POLLAKOV

Sworn to before me this 30<sup>th</sup>  
day of June, 2002



MITCHELL KASSOFF  
Notary Public, State of New York  
No. 31-4684254  
Qualified in New York County  
Commission Expires 5/17/30,2002

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF RICHMOND

CHRISTOPHER SHAFFER, RICHMOND  
PIZZA, INC., AL'S HYLAN, INC., CHRIS  
AMBOY PIZZA, INC., ALEXANDRE POLIAKOV  
and SELL MORE PIZZA, INC.,

Plaintiffs,

AFFIDAVIT  
IN SUPPORT  
OF ORDER TO  
SHOW CAUSE

-against-

Index No.

DOMINO'S PIZZA, LLC,

Defendant.

STATE OF NEW JERSEY)

: ss.:

COUNTY OF BERGEN )

FRANK P. COSTA, being duly sworn, deposes and says:

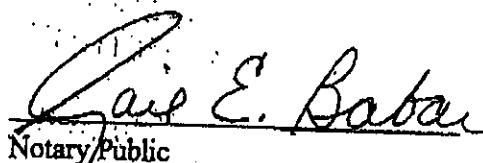
1. I am the Executive Vice President of CostaCLG, LLC.
2. My firm administers the insurance coverage for Sell More Pizza, Inc., one of the plaintiffs in this proceeding.
3. I make this affirmation in support of the relief requested in the annexed Order To Show Cause.
4. I have diligently worked with defendant for the past month to provide the insurance coverage required by defendant.
5. Evidence of the insurance in force for each location was provided to defendant as requested.
6. This coordination between our insured, defendant and our agency has consumed many hours over the past few weeks and has been addressed as a top priority in our firm.

7. Every indication received from defendant until June 21, 2002 was that the coordination of insurance coverage was being handled as "business as usual" and that there was no cause for concern.
8. Once defendant apparently placed our client into default, our agency intensified efforts even further to assure our client's compliance with all insurance requirements.
9. In the interests of justice I request that this Court issue an order granting the relief requested in the annexed Order To Show Cause.



FRANK P. COSTA

Sworn to before me this 15<sup>th</sup>  
day of July 2002.



GAIL E. BABAI

Notary Public  
GAIL E. BABAI  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Aug. 3, 2004

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF RICHMOND

---

CHRISTOPHER SHAFFER, RICHMOND  
PIZZA, INC., AL'S HYLAN, INC., CHRIS  
AMBOY PIZZA, INC., ALEXANDRE POLIAKOV  
and SELL MORE PIZZA, INC.,

Plaintiffs,  
-against-

DOMINO'S PIZZA, LLC,

Defendant.

---

**MEMORANDUM OF LAW  
IN SUPPORT OF PLAINTIFFS'  
REQUEST FOR INJUNCTIVE RELIEF**

---

MITCHELL J. KASSOFF  
Attorney for Plaintiffs  
Office and Post Office Address  
Two Foster Court  
South Orange, N.J. 07079-1002  
(973) 762-1776

### STATEMENT OF FACTS

The Court is respectfully directed to the affidavits annexed to the Order To Show for a full recitation of the facts in this action.

Briefly, the facts are quite simple. Defendant Domino's Pizza, Inc. has terminated plaintiffs' franchises, has ordered them not to continue their business and has refused to supply any inventory or products. This action has put plaintiffs out of their franchise business for which they have labored more than six years.

If the requested Temporary, Preliminary and Permanent injunctions are not granted, plaintiffs will lose their lives' work.

Plaintiffs' request is simply that this Court order defendant to maintain the *status quo ante* while this matter is litigated. If the injunctions are granted defendant will not be harmed since defendant will continue to receive royalties. If the injunctions are not granted monetary damages will not suffice and it will be impossible to put plaintiffs back in their former position since it will be impossible to know how much plaintiffs would have made or would have sold their franchises.

## ANALYSIS OF THE LAW

The Court in *U.S. Ice Cream Corp. v. Carvel Corporation*, 136 A.D.2d 626; 523 N.Y.S.2d 869 (2<sup>nd</sup> Dep't 1988) held that:

The defendants are clearly attempting to terminate the plaintiffs' exclusive licensing agreement and, absent a preliminary injunction, there is no assurance that the plaintiffs will be able to stay in business pending trial. Such interference with an ongoing business, particularly one involving a unique product and an exclusive licensing and distribution arrangement, risks irreparable injury and is enjoinable (see, e.g., *Chrysler Realty Corp. v Urban Investing Corp.*, 100 AD2d 921; *Roso-Lino Beverage Distrib. v Coca Cola Bottling Co.*, 749 F2d 124). In the absence of any proof that Carvel will be harmed by the granting of injunctive relief in order to maintain the status quo, the existence of disputed factual issues should not preclude the remedy (see, *Burmax Co. v B & S Indus.*, 135 AD2d 599; *City Store Gates Mfg. Corp. [\*\*872] v United Steel Prods.*, 79 AD2d 671; see also, *CPLR 6301; Blake v Biscardi*, 52 AD2d 834; *Nassau Roofing & Sheet Metal Co. v Facilities Dev. Corp.*, 70 AD2d 1021). 136 A.D.2d at 628.

Therefore, according to the holding of the Second Department in *Carvel* plaintiffs must have their injunction granted.

The Court in *Anthony F. Wasilkowski, M.D., P. C., v. Amsterdam Memorial Hospital*, 92 A.D.2d 1016, 461 N.Y.S.2d 451 (3<sup>rd</sup> Dep't 1983) held that:

A corporation entered into a written contract to provide radiology services to a hospital. The contract provided that either party could terminate the agreement as long as the action taken was not arbitrary or capricious in nature. The hospital terminated the agreement in order to reduce the operating expenses of the radiology department, which had operated at a loss. The corporation sought a preliminary injunction requiring the hospital to reinstate the corporation pending the trial of the underlying breach of contract action. The trial court denied preliminary injunctive relief, but the court reversed. The court held that the moving party had to demonstrate the likelihood of ultimate success on the merits; irreparable injury absent granting of the preliminary injunction; and a balancing of equities. The corporation made a *prima facie* showing that the hospital's action could have been seen as arbitrary or capricious, and disruption of the corporation's

practice would have resulted in the loss of good will and patient referrals, which was impossible to ascertain. 92 A.D.2d at 1016.

The Appellate Division reversed the order of the trial court that denied the corporation's motion for preliminary injunctive relief. The court granted a preliminary injunction directing the hospital to reinstate the corporation pending the underlying action.

Therefore, both the second and third departments have stated that the injunctive relief in a situation similar to that of plaintiffs should be granted.

In the case of *Saferstein v. HowardWendy*, 137 Misc. 2d 1032, 523 N.Y.S.2d 725 (Sup. Ct. N.Y. County 1987) the Court held that:

The claim of irreparable injury is met with a glib response that money damages would make petitioner whole if the License Agreement has been wrongfully terminated. *This ignores the real threat that termination poses to the continued existence of Innomed* whose only asset is the valuable sublicense. Furthermore, Innomed has a valuable marketing agreement with Pfizer, Inc., that would be defeated. This agreement generates substantial revenues from which royalties on the plastic comb are supposed to be paid to Comb Associates. *Besides, the calculation of petitioner's damages if the license passes to another is an exercise in speculation.* It is true that part of these damages will be measured by the actual sales of the new licensee. But, if those sales could be greater had the license not been terminated, petitioner would be entitled to a higher sum incapable of measurement. *In any event, the possibility that money damages may be adequate does not prevent injunctive relief.* 137 Misc. 2d at 1035- 36. [Emphasis added].

In reviewing the facts of *Saferstein* with those of the instant case it is clear that the result would be the same in both cases. Therefore, for the reasons stated in *Saferstein*, the requested injunctive relief must be granted.

### **SUMMARY AND CONCLUSION**

In a situation as in the case at bar the injunctive relief must be granted to preserve the *status quo ante*. Should the injunctive relief not be granted, it will be impossible to properly compensate plaintiffs at the successful conclusion of the trial.

Respectfully Submitted,



MITCHELL J. KASSOFF  
Attorney for Plaintiffs  
Office and Post Office Address  
Two Foster Court  
South Orange, N.J. 07079-1002  
(973) 762-1776

**Exhibit "A"**

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF RICHMOND

CHRISTOPHER SHAFFER, RICHMOND  
PIZZA, INC., AL'S HYLAN, INC., CHRIS  
AMBOY PIZZA, INC., ALEXANDRE POLIAKOV  
and SELL MORE PIZZA, INC.,

Index No.

**SUMMONS**

DOMINO'S PIZZA, LLC,

Plaintiffs,

-against-

Defendant.

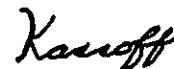
The basis of venue is  
plaintiffs' place of  
business in the county  
of Richmond

To the above named defendant:

**YOU ARE HEREBY SUMMONED** to answer the complaint in this action and to serve a copy of your answer, or if the complaint is not served with the summons, to serve a notice of appearance, on the plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, Judgment will be taken against you by default for the relief demanded in the complaint.

Dated, June 30, 2002

Defendant's address:  
2550 Victory Boulevard  
Staten Island, New York 10314



MITCHELL J. KASSOFF  
Attorney for Plaintiffs  
Office and Post Office Address  
Two Foster Court  
South Orange, N.J. 07079-1002  
(973) 762-1776

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF RICHMOND

-----x  
CHRISTOPHER SHAFFER, RICHMOND  
PIZZA, INC., AL'S HYLAN, INC., CHRIS  
AMBOY PIZZA, INC., ALEXANDRE POLIAKOV  
and SELL MORE PIZZA, INC.,

Index No.

**VERIFIED  
COMPLAINT**

Plaintiffs,

-against-

DOMINO'S PIZZA, LLC,

Defendant.

-----x  
Plaintiffs, Christopher Shaffer, Richmond Pizza, Inc., Al's Hylan, Inc., Chris Amboy Pizza, Inc., Alexandre Poliakov and Sell More Pizza, Inc., by their attorney Mitchell J. Kassoff, for their verified complaint allege:

**AS AND FOR A FIRST CAUSE OF ACTION**

1. Richmond Pizza, Inc., Al's Hylan, Inc., Chris Amboy Pizza, Inc. and Sell More Pizza, Inc. are New York corporations with their principal place of business located in the County of Richmond, State of New York.
2. Christopher Shaffer resides in the County of Richmond, State of New York.
3. Alexandre Poliakov resides in the County of Kings, State of New York.
4. Upon information and belief defendant Domino's Pizza, LLC is an out of state Limited Liability Company with corporate headquarters located in Ann Arbor, Michigan and with a place of business located at 2550 Victory Boulevard, Staten Island, New York 10314.
5. Richmond Pizza, Inc. became a franchisee of defendant (store 3676) in January 1996.
6. Al's Hylan, Inc. became a franchisee of defendant (store 3529) in December 1996.
7. Chris Amboy Pizza, Inc. became a franchisee of defendant (store 3673) in October

1998.

8. Sell More Pizza, Inc. became a franchisee of defendant (store 3512) in September 1999.

9. Richmond Pizza, Inc., Al's Hylan, Inc., Chris Amboy Pizza, Inc. and Sell More Pizza, Inc. were franchisees of defendant up to the time of defendant's recent improper termination of that status.

10. Plaintiff corporations were (until very recently) all in the business of operating Domino's Pizza franchise retail outlets specializing in the sale of pizza and other authorized food and beverage products and featuring carry-out and delivery services.

11. Each plaintiff corporation executed a standard franchise agreement with defendant to operate such a Domino's Pizza Store under the Domino's system and a sublicense to use the marks in the operation of the store the County of Richmond, State of New York.

12. Plaintiffs have been model franchisees over the years.

13. Plaintiffs have been awarded numerous achievement awards and commendations by defendant over the years.

14. Because of the hard work and efforts of plaintiffs, defendant now has a strong and valuable presence in Staten Island.

15. During the past six years, plaintiffs have worked extraordinarily hard to develop and market the subject Domino's Pizza franchise businesses in Staten Island by working huge hours.

16. Due to plaintiffs' long and arduous work they have obtained great financial success.

17. Several years ago plaintiff wished to purchase a store in Brooklyn, New York.

18. Plaintiffs were told by defendant that they should first reopen a store where a

franchisee had just gone out of business in Staten Island.

19. Defendant stated that after this store was reopened plaintiffs would be allowed to build a store in Brooklyn, New York.

20. Defendant refused to honor this promise and instead defendant built a corporately owned store at this location.

21. Plaintiffs followed the orders of defendant and built up their Staten Island businesses.

22. In 2000 plaintiffs invested \$570,000 in their stores to build a new store and relocate two other stores to better locations.

23. In February 2002 defendant terminated plaintiffs' franchise for one of the stores because the Makeline refrigerator had to be repaired on several occasions.

24. Defendant stated that if plaintiffs bought a new Makeline refrigerator from defendant for \$7,000 defendant would cancel its termination.

25. A Makeline refrigerator typically sells for approximately \$2,800.

26. Even though plaintiffs followed defendant's instructions and purchased a \$2,800 Makeline refrigerator for \$7,000, that plaintiffs really did not need, defendant still terminated plaintiffs' franchise.

27. Plaintiffs decided to sell one of their franchises.

28. When asked if defendant would allow a manager of plaintiff's store to purchase a franchise defendant stated that it would not allow this sale to someone connected with plaintiffs. This is despite the fact that the typical purchaser of defendant's franchises has traditionally been managers of stores.

29. Plaintiff provided a different purchaser who met the criteria of defendant.

30. Defendant has failed to act on this application or respond in any manner whatsoever.
31. Now that plaintiffs have developed the Staten Island market for defendant, defendant has engaged in a series of activities to steal the fruits of plaintiffs' work.
32. Plaintiffs have been discriminated against in that defendant is taking far more aggressive, serious and punitive actions against plaintiffs as compared to other franchisees of defendant.
33. Defendant changed the insurance requirements for plaintiffs.
34. Plaintiffs and its insurance agent cooperated in every possible way with defendant.
35. Defendant kept changing its new requirements making it impossible for plaintiffs to meet them.
36. For the past several months defendant has been making numerous inspections.
37. During these inspections defendant has been using its subjective criteria to rate plaintiffs.
38. Based on these subjective criteria defendant has stated that plaintiffs were in breach of their agreement and had to cure defects.
39. Plaintiffs took all possible steps to keep in compliance with the agreement and cure all defects, whether or not they were real, to avoid problems with defendant.
40. These "inspections" were simply part of a plan to make a paper trail to seize plaintiffs' stores and steal plaintiffs' work of many years.
41. By letter dated June 21, 2002 defendant once again terminated a franchise and stated that defendant would stay legal proceedings until July 21, 2002 to allow plaintiffs to sell the franchise.
42. Due to the requirements of defendant, it would be impossible for plaintiffs to sell the

store in the stated time period.

43. By letters dated June 25, 2002 defendant placed plaintiffs on a C.O.D. basis for deliveries.

44. The C.O.D. basis upon which defendant placed plaintiffs was not because plaintiff failed to make any payments to defendant.

45. Due to the nature of the cash flow of this business this placed plaintiffs in a serious financial difficulty and was done to attempt to drive plaintiffs out of business.

46. In response to this impossible situation plaintiffs retained an attorney and had him send letters dated June 26, 2002 to attempt to have this matter resolved without the need for litigation.

47. In response to plaintiff's attorney's letter plaintiffs received a call from Scott Hoots, defendant's franchise director in the Baltimore office, which covers plaintiffs' territory. During this call he asked if plaintiffs would meet with him.

48. Plaintiffs told him that plaintiffs would be glad to meet with him and stated that plaintiffs would have their attorney attend the meeting.

49. Mr. Hoots told plaintiffs that he would not meet with plaintiffs if plaintiffs' attorney attended the meeting.

50. In the hopes of resolving this matter without the need for litigation, plaintiffs agreed to meet with Mr. Hoots without plaintiffs' attorney being present.

51. Once plaintiffs met with Mr. Hoots it became apparent why he did not want plaintiffs' attorney present.

52. The purpose of this meeting was not to resolve any difficulties or problems between the parties.

53. At the meeting Mr. Hoots told plaintiffs that defendant would purchase plaintiffs' stores according to a formula, which works out to a purchase price of approximately \$800,000.

54. This was despite the fact that defendant had refused to act on the purchase offer submitted to plaintiffs by a third party for \$2,300,000.

55. Plaintiffs told Mr. Hoots that since plaintiffs had a buyer willing to pay \$2,300,000 plaintiffs would not sell the stores to defendant for approximately \$800,000.

56. When plaintiffs refused to sell the stores to defendant Mr. Hoots handed to plaintiffs the termination letters dated June 27, 2002.

57. Mr. Hoots then stated that plaintiffs no longer had any stores to sell for any price.

58. This termination was an act by defendant as a result of plaintiffs' failure to bow to defendant's extortion to take over plaintiffs' stores and the Staten Island market for one (1/3) third the price for which defendant was informed that plaintiffs had a buyer.

59. On June 28, 2002 defendant refused to make a scheduled delivery of product necessary to operate the franchise.

60. As a result of defendant's actions, plaintiffs are unable to operate their franchise or meet their obligations.

61. In response to this situation plaintiffs had plaintiffs' attorney send a letter dated June 28, 2002 to attempt to have this matter resolved so that defendant would not force plaintiffs out of plaintiffs' franchise business.

62. Although this letter was faxed at approximately noon on Friday, neither plaintiffs nor plaintiffs' attorney have received any response.

63. Defendant has refused every possible overture to stop or limit the damages that it

caused and continues to cause to plaintiffs.

64. Plaintiffs demand judgment in the amount of \$10,000,000.00 plus attorney's fees, costs, disbursements and interest from June 28, 2002 for damages arising from defendant's breach of contract.

#### **AS AND FOR A SECOND CAUSE OF ACTION**

65. Plaintiffs repeat and reallege paragraphs 1 through 64 as though fully set forth herein.

66. Defendant's actions in dealing with plaintiffs amount to fraud.

67. Plaintiffs demand judgment in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 for damages arising from defendant's fraudulent conduct.

#### **AS AND FOR A THIRD CAUSE OF ACTION**

68. Plaintiffs repeat and reallege paragraphs 1 through 67 as though fully set forth herein.

69. Regardless of the terms of the contracts between the parties, there exists an obligation of an implicit covenant of good faith and fair dealing on the part of defendant.

70. Defendant breached the implicit covenant of good faith and fair dealing with plaintiffs.

71. Plaintiffs demand judgment in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 for damages arising from defendant's breach of the implicit covenant of good faith and fair dealing with plaintiff.

**AS AND FOR A FOURTH CAUSE OF ACTION**

72. Plaintiffs repeat and reallege paragraphs 1 through 71 as though fully set forth herein.
73. Due to defendant's refusal to allow the sale of a franchise plaintiff was unable to pursue other business opportunities.
74. This caused the plaintiff to lose the opportunities of business it could have earned in a loss of profits.
75. Plaintiffs demand judgment in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 for damages arising from lost business opportunities.

**AS AND FOR A FIFTH CAUSE OF ACTION**

76. Plaintiffs repeat and reallege paragraphs 1 through 75 as though fully set forth herein.
77. Article 33 of the General Business Law governs franchise activities within the State of New York ("Franchise Law").
78. Defendant's actions violated the Franchise Law.
79. Plaintiffs demand judgment in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 for damages arising from defendant's violation of Article 33 of the General Business Law.

**AS AND FOR A SIXTH CAUSE OF ACTION**

80. Plaintiffs repeat and reallege paragraphs 1 through 72 as though fully set forth herein.

81. Defendant's actions were most egregious in depriving plaintiffs of their property rights in their franchises.

82. Defendants' actions were most egregious in attempting to extort the purchase of plaintiff's franchises for less than one (1/3) third of the price for which plaintiffs had a purchaser.

83. It is apparent that defendants took their action in the belief that they could use their grossly superior financial resources and ability to control the goods and materials that plaintiffs need to operate their franchises to trample on the rights of plaintiffs.

84. It is necessary to make crystal clear that the law will not allow large out of state corporations to destroy local individuals rights due to our of state corporate superior bargaining power and assets.

85. Plaintiffs demand judgment in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 for punitive damages.

#### **AS AND FOR A SEVENTH CAUSE OF ACTION**

86. Plaintiffs repeat and reallege paragraphs 1 through 85 as though fully set forth herein.

87. By refusing to make deliveries of product and materials or allow plaintiffs to operate their franchises plaintiffs have caused and will continue to cause irreparable harm to plaintiffs.

88. The harm includes plaintiff's inability to sell its franchises, which are worth in excess of Two Million (\$2,000,000) Dollars.

89. The inability to sell the franchises is that prospective purchases will not purchase a franchise unless they can observe them in operation.

90. Plaintiffs have made every possible effort to work with defendant to avoid the necessity of

coming to this Court to seek relief.

91. Plaintiffs' desire is to continue to operate their stores. However, it appears that due to defendant's hostility it might be prudent to sell plaintiffs' stores.

92. The purpose of this application for an appointment of a monitor is that defendant has failed to act reasonably and in good faith in approving a prospective purchaser and would most likely continue to fail to act in good faith.

93. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their contract with Wagner College, which provides great recognition and generation of orders from students, who are notoriously large pizza consumers.

94. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their leases and location. The location of a franchise is one of the most important aspects of how well it will succeed.

95. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their telephone number. This is how approximately 85% of our customers communicate with us.

96. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will lose their expert employees. The employees are needed to operate the business and to obtain replacements will be extremely difficult.

97. If the requested Temporary, Preliminary and Permanent injunctions are not granted then plaintiffs will default on bank loan payments which will destroy our credit and make it impossible to operate a business in the future.

98. Therefore, if the requested Temporary, Preliminary and Permanent injunctions are not

granted the damages will be truly irreparable.

99. If the requested Temporary, Preliminary and Permanent injunctions are not granted defendant will in effect have stolen all of our work.

100. The granting of the requested Temporary, Preliminary and Permanent injunctions will in no way harm defendant and in fact will enrich defendant since defendant will still earn the franchise royalties for all sales made.

101. Therefore, the granting of the requested Temporary, Preliminary and Permanent injunctions will not harm defendant in any way, while the requested Temporary, Preliminary and Permanent injunctions will protect the plaintiffs and allow this Court to do justice.

102. Plaintiffs respectfully request that this Court grant the requested Temporary, Preliminary and Permanent injunctions to prevent plaintiffs from losing their lifes' work.

103. Therefore, the granting of the requested Temporary, Preliminary and Permanent injunctions will not harm defendant in any way, while the requested Temporary, Preliminary and Permanent injunctions will protect the plaintiffs and allow this Court to do justice.

104. Plaintiffs request Temporary, Preliminary and Permanent injunctions ordering (a) the defendant to immediately reinstate and maintain all plaintiffs with all of the rights, privileges and benefits of operating franchises of defendant; (b) defendant to immediately supply all inventory, products, goods and materials requested plaintiffs in the regular course of business and at the credit terms (not C.O.D.) enjoyed by plaintiffs' prior to any allegations of wrongdoing on the part of plaintiffs; (c) plaintiffs' use of defendant's tradenames, trademarks, copyrights and other Domino's Pizza identifications, marks, name, assumed name and registrations; (d) plaintiffs' use of their telephone numbers; (e) plaintiffs' use and possession of defendant's Operating Manual; (f) plaintiffs' use of the store premises as presently

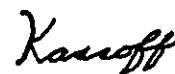
constituted; (g) payment of all fees and obligations on the part of plaintiffs in the same manner as existed prior to any allegations of wrongdoing on the part of plaintiffs; (h) defendant to stop harassing plaintiffs, treat them as well as all other franchisees and do business with plaintiffs on the same basis as existed prior to any allegations of wrongdoing on the part of plaintiffs; (i) the granting of a temporary restraining order and preliminary injunction for the injunctive relief requested herein; (k) the granting of the injunctive relief requested in the Complaint pending resolution of these matters at trial; (l) defendant to pay to plaintiffs their legal fees, costs and disbursements, (m) appointing a monitor to facilitate the sale of plaintiffs' Domino's Pizza stores to prospective purchasers, (n) defendant to allow plaintiffs to remain open, operate their business and supply plaintiff's with their inventory needs, (o) defendant to allow plaintiffs to sell their franchises and (p) and for such other, further and different relief which this Court may deem just and proper in the premises.

**WHEREFORE**, Plaintiffs demand judgment against defendant: (a) in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 as and for compensatory damages for the First Cause of Action; (b) in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 for compensatory damages for the Second Cause of Action; (c) in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 as and for compensatory damages for the Third Cause of Action; (d) in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 as and for compensatory damages for the Fourth Cause of Action; (e) in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 as and for compensatory damages for the Fifth Cause of Action; (f) in the amount of \$10,000,000.00, plus attorney's fees, costs, disbursements and interest from June 28, 2002 as and for punitive damages

for the Sixth Cause of Action; (g) granting Temporary, Preliminary and Permanent injunctions ordering (a) the defendant to immediately reinstate and maintain all plaintiffs with all of the rights, privileges and benefits of operating franchises of defendant; (b) defendant to immediately supply all inventory, products, goods and materials requested plaintiffs in the regular course of business and at the credit terms (not C.O.D.) enjoyed by plaintiffs' prior to any allegations of wrongdoing on the part of plaintiffs; (c) plaintiffs' use of defendant's tradenames, trademarks, copyrights and other Domino's Pizza identifications, marks, name, assumed name and registrations; (d) plaintiffs' use of their telephone numbers; (e) plaintiffs' use and possession of defendant's Operating Manual; (f) plaintiffs' use of the store premises as presently constituted; (g) payment of all fees and obligations on the part of plaintiffs in the same manner as existed prior to any allegations of wrongdoing on the part of plaintiffs; (h) defendant to stop harassing plaintiffs, treat them as well as all other franchisees and do business with plaintiffs on the same basis as existed prior to any allegations of wrongdoing on the part of plaintiffs; (i) the granting of a temporary restraining order and preliminary injunction for the injunctive relief requested herein; (k) the granting of the injunctive relief requested in the Complaint pending resolution of these matters at trial; (l) defendant to pay to plaintiffs their legal fees, costs and disbursements, (m) appointing a monitor to facilitate the sale of plaintiffs' Domino's Pizza stores to prospective purchasers, (n) defendant to allow plaintiffs to remain open, operate their business and supply plaintiff's with their inventory needs and (o) defendant to allow plaintiffs to sell their franchises for the Seventh Cause of Action and (p) awarding such other and further relief as is just and proper.

Dated: New York, New York

June 30, 2002



MITCHELL J. KASSOFF  
Attorney for Plaintiffs  
Office and Post Office Address  
Two Foster Court  
So. Orange, N.J. 07079-1002  
(973) 762-1776

**CORPORATE VERIFICATION**

STATE OF NEW YORK )  
ss.:  
COUNTY OF NEW YORK )

CHRISTOPHER SHAFFER, being duly sworn, deposes and says:

I am the president of Richmond Pizza, Inc., Al's Hylan, Inc. and Chris Amboy Pizza, Inc. I have read the foregoing Complaint and know the contents thereof and the same is true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters I believe them to be true.

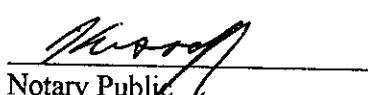
This Verification is made by me because the defendant is a corporation and I am an officer thereof.

The grounds of my belief as to all matters not stated upon my own knowledge are as follows: review of records, review of the public record and conversations with other persons.



CHRISTOPHER SHAFFER

Sworn to before me this  
30<sup>th</sup> day of June, 2002.



Notary Public

MITCHELL KASSOFF  
Notary Public, State of New York  
No. 31-4684254  
Qualified in New York County  
Commission Expires 5/17/30, 2027



**Exhibit "B"**



# CONGRATULATIONS!

You recently won the Sales Ladder Incentive Program!! By now you should have received your Sony DVD for

3673  
1/6/02

You achieved over 15k in weekly sales for the first time!

Congratulations on your giant achievement!

We are proud to have you as part of our team!

Delivering a Million Smiles a Day.™

30 Frank Lloyd Wright Drive • P.O. Box 970 • Ann Arbor, Michigan 48106-0970 • Phone: 734-930-3030 • Fax: 734-663-7063

Domino's Pizza Distribution

December 22, 2000

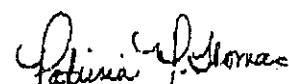
Dear Romani Shenoda:

In recognition for your exceptional performance in achieving a 4 Star rating in the Operations Evaluation Report preliminary review, enclosed are 4 Star pins for you and your crew. Wear them with pride!

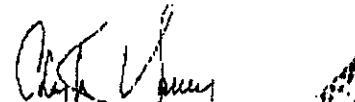
Sincerely,



Mike Soignet  
Executive Vice President of Maintain High Standards



Patricia Moore Thomas  
Vice President of Maintain High Standards



Clayton Harvey  
Director of Quality Compliance

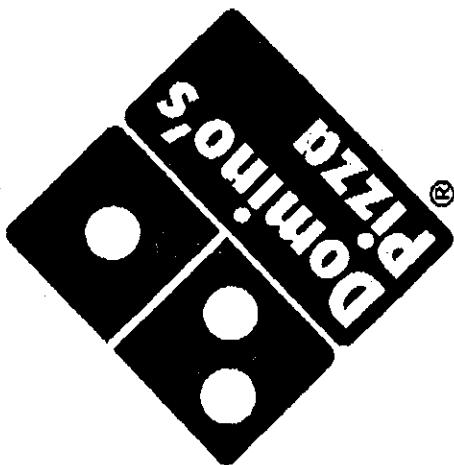
**Domino's Pizza Vision:**  
Exceptional people on a mission to be the best pizza delivery company in the world!

Our Guiding Principles  
At the Moment of Choice . . .

1. We demand integrity.
2. Our people come first.
3. We take great care of our customers.
4. We make Perfect 10 pizzas every day.
5. We operate with smart hustle and positive energy.

**Exceptional people on a mission to be the best pizza delivery company in the world!**

Challenge  
Awards



presented to

Paul Quartuccio  
Manager of Store #3673

for achieving at least a 25% increase in sales  
for four consecutive periods.

*Stuart K. Mathis*

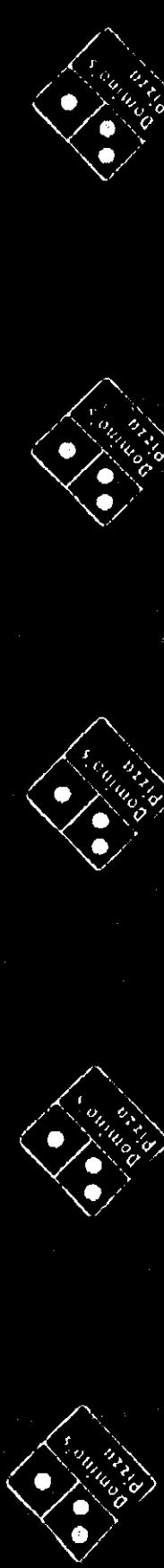
Stuart Mathis, Vice President of Franchise Operations

*Thomas S. Monaghan*

Thomas S. Monaghan, President

5, 99 through 8, 99

Periods



# ACHIEVEMENT

presented to

Paul Quartucco

Manager of Store # 3673

for sales building efforts  
resulting in a record week for  
week ending January 3, 1999

*Congratulations!*

*Patrick Kelly*

Vice President of Corporate Operations

*Shant Nathi*

Vice President of Franchise Operations

presented to

Paul Quartuccio  
Manager of Store #3673

for achieving at least a 25% increase in sales  
for four consecutive periods.

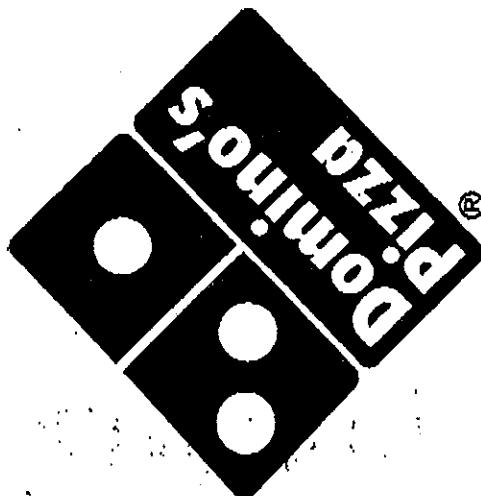
*Stuart K. Mathis*

Stuart Mathis, Vice President of Franchise Operations

*Thomas S. Monaghan*

Thomas S. Monaghan, President

11, 98 through 1, 99  
Periods



# ACHIEVEMENT

Presented to

**Paul Quartuccio**

Manager of Store #

3673

for sales building efforts  
resulting in a record week for  
week ending

December 20, 1998

*Congratulations!*

*Patrick Kelly*

Vice President of Corporate Operations

*Shant Mathis*

Vice President of Franchise Operations

Challenger  
Ayer's

presented to

Emilio Vargas  
Manager of Store #3529

for achieving at least a 25% increase in sales  
for four consecutive periods.

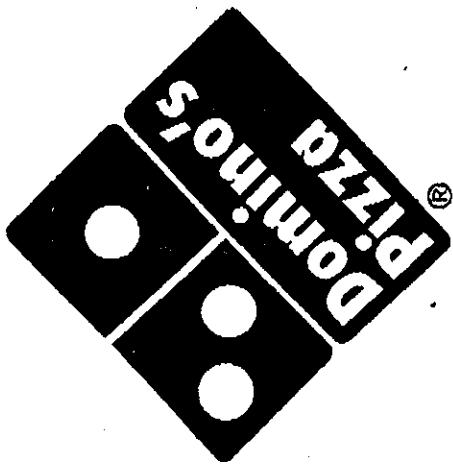
Stuart K Mathis

Stuart Mathis, Vice President of Franchise Operations

Thomas S. Monaghan

Thomas S. Monaghan, President

7.98 through 10.99  
Periods



presented to

Alex Poliakov  
Manager of Store #3529

for achieving at least a 25% increase in sales  
for four consecutive periods.

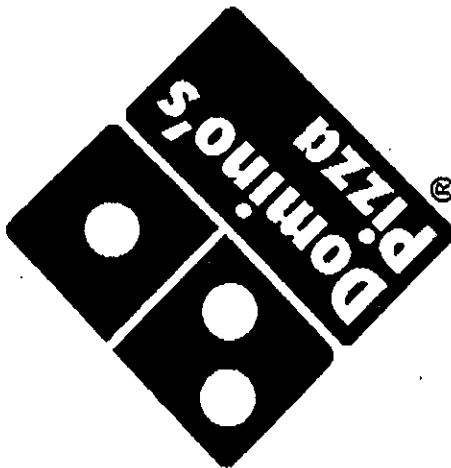
Stuart K Mathis

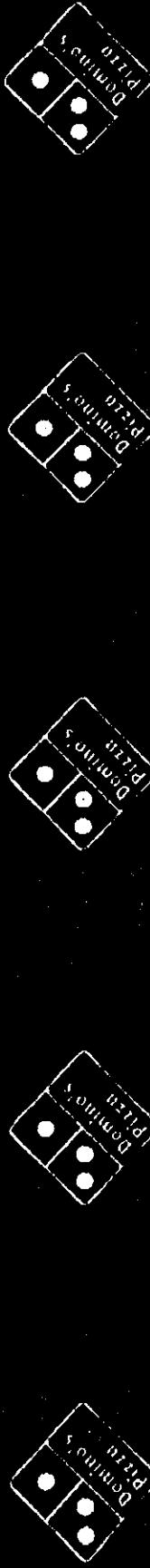
Stuart Mathis, Vice President of Franchise Operations

Thomas S. Monaghan

Thomas S. Monaghan, President

4.98 through 7.98  
Periods





# ACHIEVEMENT

presented to

Chris Shaffer

Manager of Store #

3676

for sales building efforts  
resulting in a record week for  
week ending June 28, 1998

Congratulations!

Dick Kelly

Vice President of Corporate Operations

Shant Mathis

Vice President of Franchise Operations



**Domino's Pizza, Inc.**  
**Baltimore Region**  
**1190 Winterson Road, Suite 200**  
**Linthicum Heights, Maryland 21090-2222**

410-859-3030  
410-850-4436 (FAX)

Thursday, February 05, 1998

Chris Shaffer  
4909 Surf Ave., Apt. 3  
Brooklyn, NY 11224

Dear Chris:

We want to congratulate you on achieving the Franchisee of the Period award for Period 1, 1998. You were selected out of 350 franchisees in our region for your outstanding efforts that are resulting in excellent performance.

Enclosed you will find a catalog from L.L. Bean with a \$100 gift certificate. This gift is a token of our appreciation for your contribution to making Domino's Pizza the greatest pizza delivery company on planet earth.

If you ever need anything from us, don't hesitate to call.

Keep up the GREAT work!

Sincerely,  
Team Northeast

# Special Achievement Award

Presented to

**Serge Dolgov**

Manager of

**Store 3529**

for sales building efforts  
resulting in a record week  
for week ending

**4/27/97**  
**CONGRATULATIONS!**

*Shantathis*

*Shantathis*  
**Vice President of Franchise Operations**

*Daniel Kelly*  
**Vice President of Corporate Operations**

# Special Achievement Award

Presented to

**Serge Dolgov**

Manager of

**Store 3529**

for sales building efforts  
resulting in a record week  
for week ending

**4/20/97**  
**CONGRATULATIONS!**

*Derrick Kelly*  
Vice President of Corporate Operations

*Mark Mathis*

Vice President of Franchise Operations

©1995 Domino's Pizza, Inc.

# Special Achievement Award

Presented to

**Serge Dolgov**

Manager of

**Store 3529**

for sales building efforts  
resulting in a record week  
for week ending

**6/15/97**

**CONGRATULATIONS!**

*Daniel Kelly*  
Vice President of Corporate Operations

*Mark Mathis*

*Vice President of Franchise Operations*

©1995 Domino's Pizza, Inc.

# Special Achievement Award

Presented to

Chris Shaffer

Manager of

**Store 3676**

for sales building efforts  
resulting in a record week  
for week ending

**3/10/96**

**CONGRATULATIONS!**

*Shawn Mathis*

*Vice President of Franchise Operations*

*Derrick Kelly*  
*Vice President of Corporate Operations*

# Special Achievement Award

Presented to

Chris Shaffer

Manager of

**Store 3676**

for sales building efforts  
resulting in a record week  
for week ending

**3/3/96**

**CONGRATULATIONS!**

*Shant Nathis*

*Vice President of Franchise Operations*

*Daniel Kelly*  
*Vice President of Corporate Operations*

# Special Achievement Award

Presented to

**Chris Shaffier**

Manager of

**Store 3676**

for sales building efforts  
resulting in a record week  
for week ending

**2/25/96**  
**CONGRATULATIONS!**

*Shawn Mathis*

*Vice President of Franchise Operations*

*Patrick Kelly*  
*Vice President of Corporate Operations*

©1995 Domino's Pizza, Inc.

# Special Achievement Award

Presented to

**Chris Shaffer**

Manager of

**Store 3676**

for sales building efforts  
resulting in a record week  
for week ending

**2/4/96**

**CONGRATULATIONS!**

*Daniel Kelly*  
Vice President of Corporate Operations

*Shantmathis*  
Vice President of Franchise Operations

©1993 Domino's Pizza, Inc.

DOMINO'S PIZZA, INC.

# Golden Challenge

Domino's Pizza, Incorporated, Team Northeast  
hereby expresses its appreciation to

Chris Shaffer, store #3529

For achieving an outstanding sales increase of 56.0%  
from December 1996 through April 1997

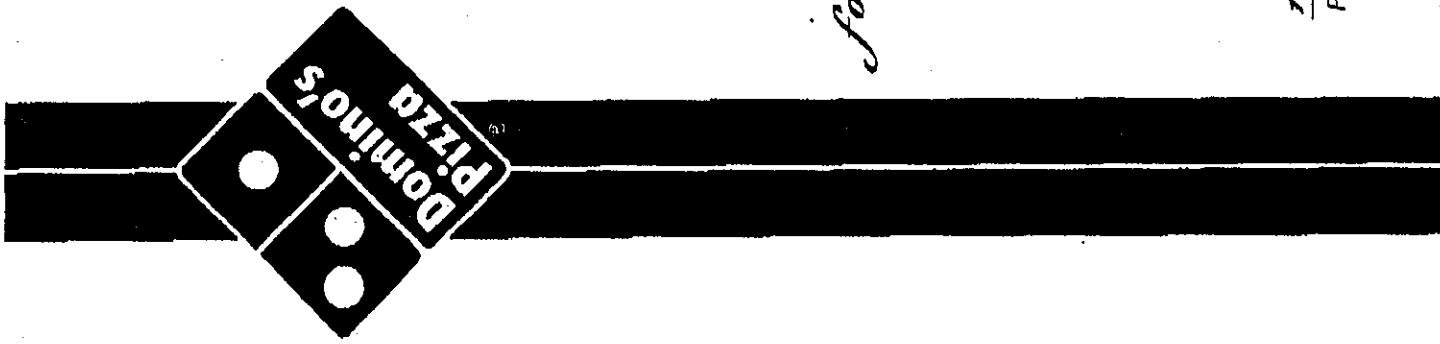
Stuart Mathis

Stuart Mathis, Vice President of Franchise Operations

Thomas A. Monaghan

Thomas S. Monaghan, President

1 thru 9  
Period



D O M I N O ' S P I Z Z A , I N C .

# Golden Challenge

Domino's Pizza, Incorporated, Team Northeast  
hereby expresses its appreciation to

Chris Shaffer, store #3676

for achieving an outstanding sales increase of 50.0%  
from May 1996 through September 1996

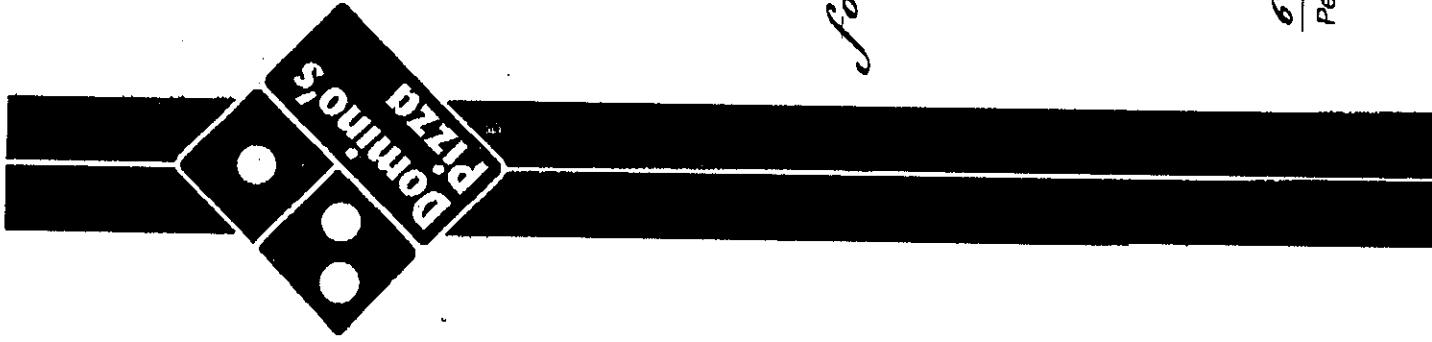
Stuart Mathis

Stuart Mathis, Vice President of Franchise Operations

Thomas S. Monaghan

Thomas S. Monaghan, President

6 three 9  
Period



D O M I N O ' S P I Z Z A, I N C.

# Silver Challenge

Domino's Pizza, Incorporated, Team Northeast  
hereby expresses its appreciation to

Chris Shaffer, store #3676

for achieving an outstanding sales increase of 38.0%  
from March 1996 through July 1996

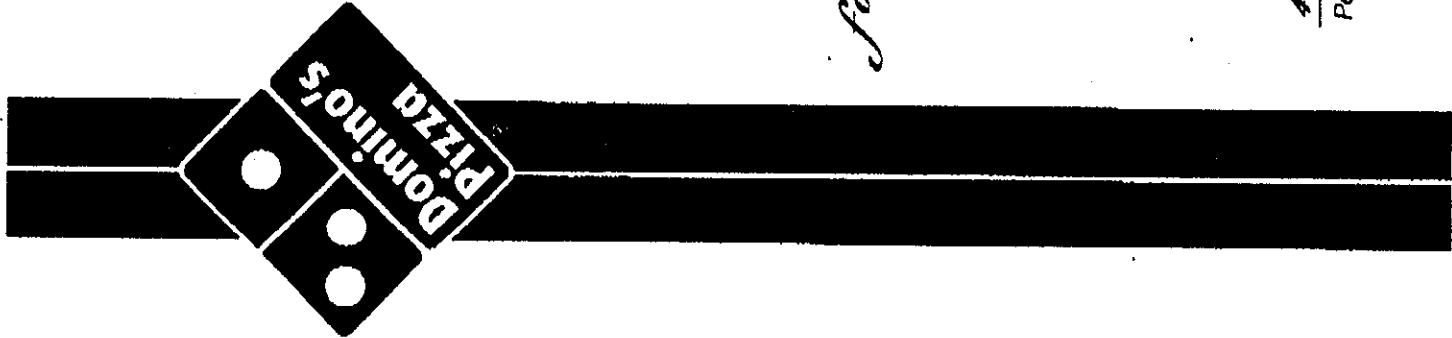
Stuart Mathis

Stuart Mathis, Vice President of Franchise Operations

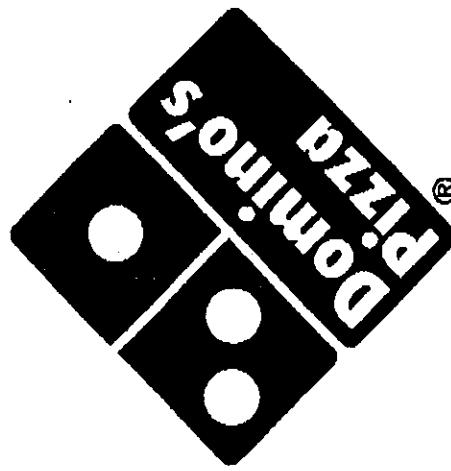
Thomas S. Monaghan

Thomas S. Monaghan, President

#3676  
Period



# Stuart Rock Challenge



presented to

Alex Poliakov  
Manager of Store #9529

for achieving at least a 100% increase in sales  
for four consecutive periods.

Stuart K Mathis

Stuart Mathis, Vice President of Franchise Operations

Thomas S. Monaghan

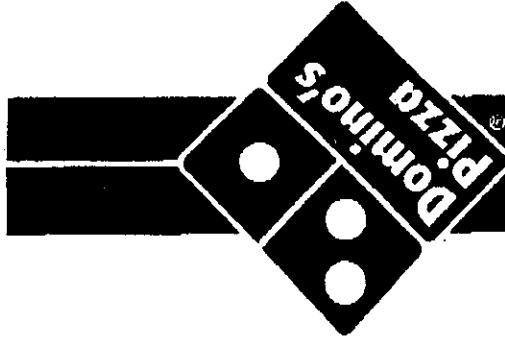
Thomas S. Monaghan, President

18 through 3

Periods

D O M I N O ' S P I Z Z A, I N C.

# Diamond Challenge



Domino's Pizza, Incorporated, Team Northeast  
hereby expresses its appreciation to

Chris Shaffer, store #3529

for achieving an outstanding sales increase of 89.0%  
from January 1997 through May 1997

Stuart Mathis

Stuart Mathis, Vice President of Franchise Operations

Thomas S. Monaghan

Thomas S. Monaghan, President

8 thru 5  
Period

DOMINO'S PIZZA, INC.

# Shamrock Challenge

Domino's Pizza, Incorporated, Team Northeast  
hereby expresses its appreciation to

Chris Shaffer, store #3676

for achieving an outstanding sales increase of 200.8%  
from August 1996 through November 1996

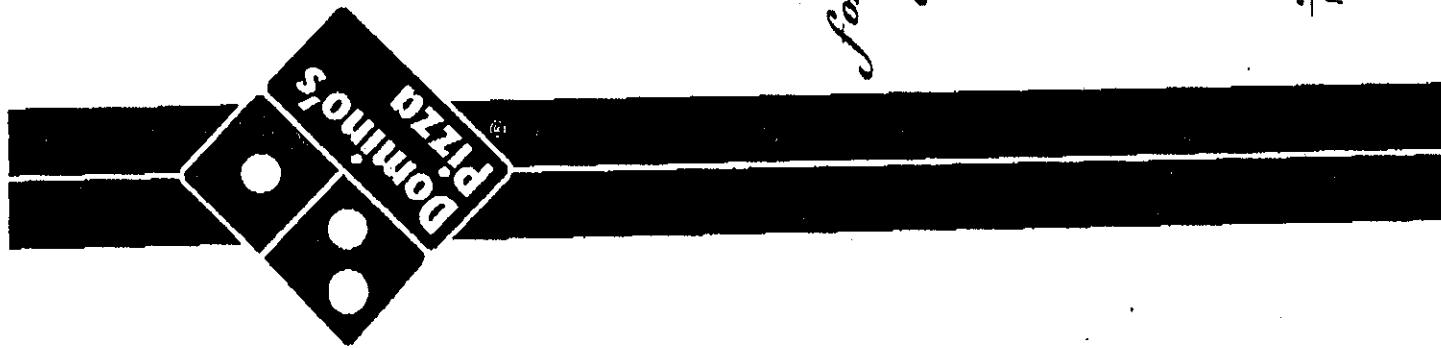
Short Month

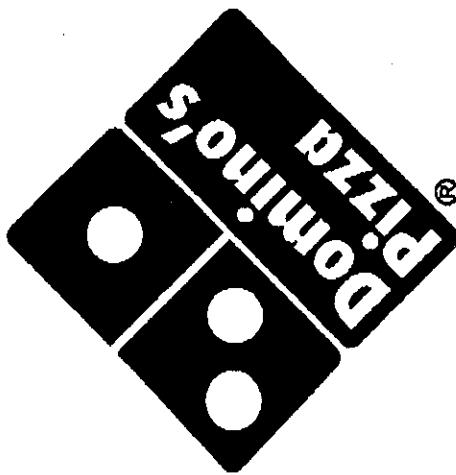
Stuart Mathis, Vice President of Franchise Operations

Thomas S. Monaghan

Thomas S. Monaghan, President

9 thru 12  
Period





presented to

*Chris Shaffer*

*Manager of Store #8676*

for achieving at least a 25% increase in sales  
for four consecutive periods.

*Stuart K Mathis*

Stuart Mathis, Vice President of Franchise Operations

*Thomas S. Moreghan*

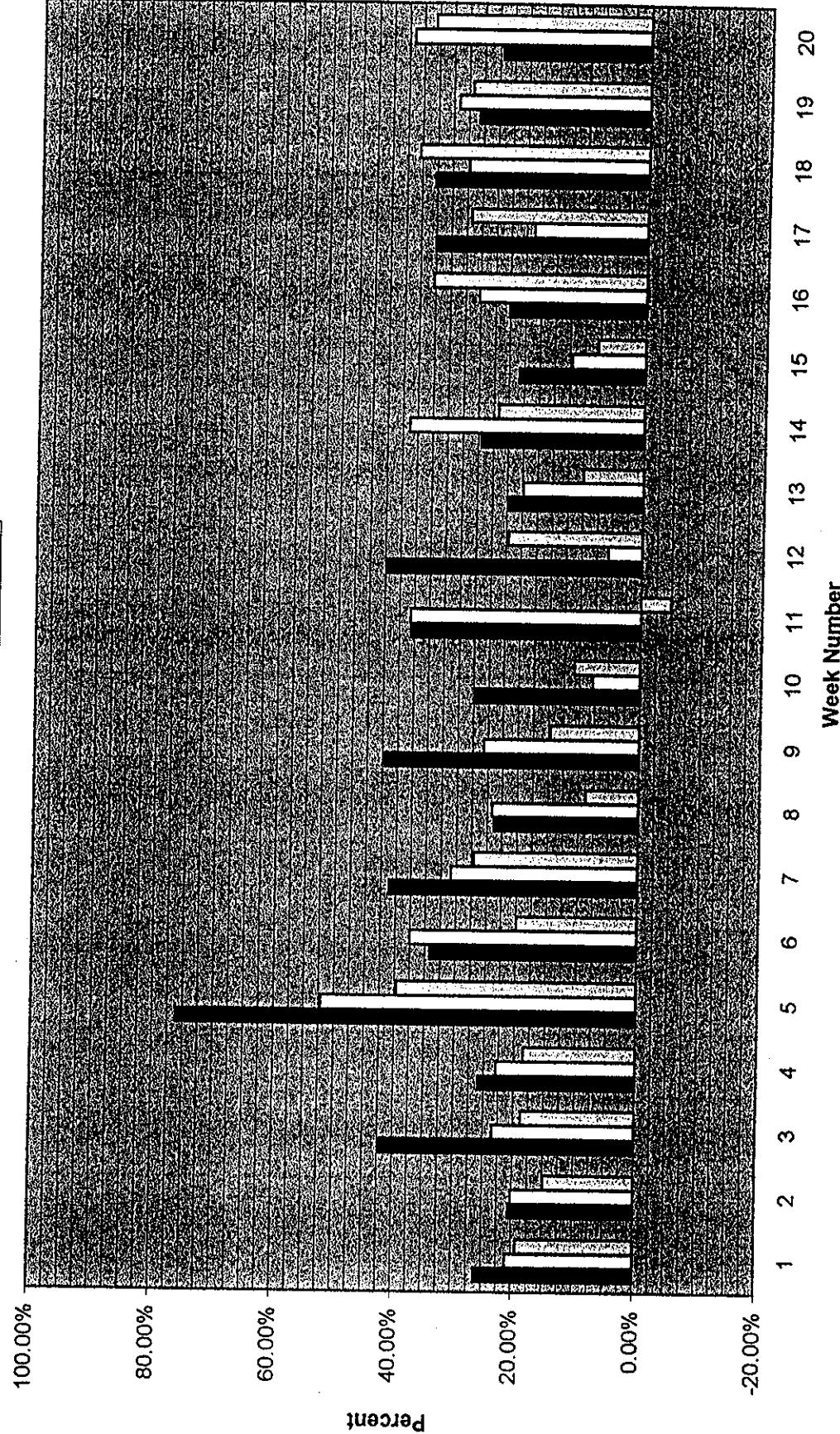
Thomas S. Moreghan, President

10 through 13  
Periods

**Exhibit "C"**

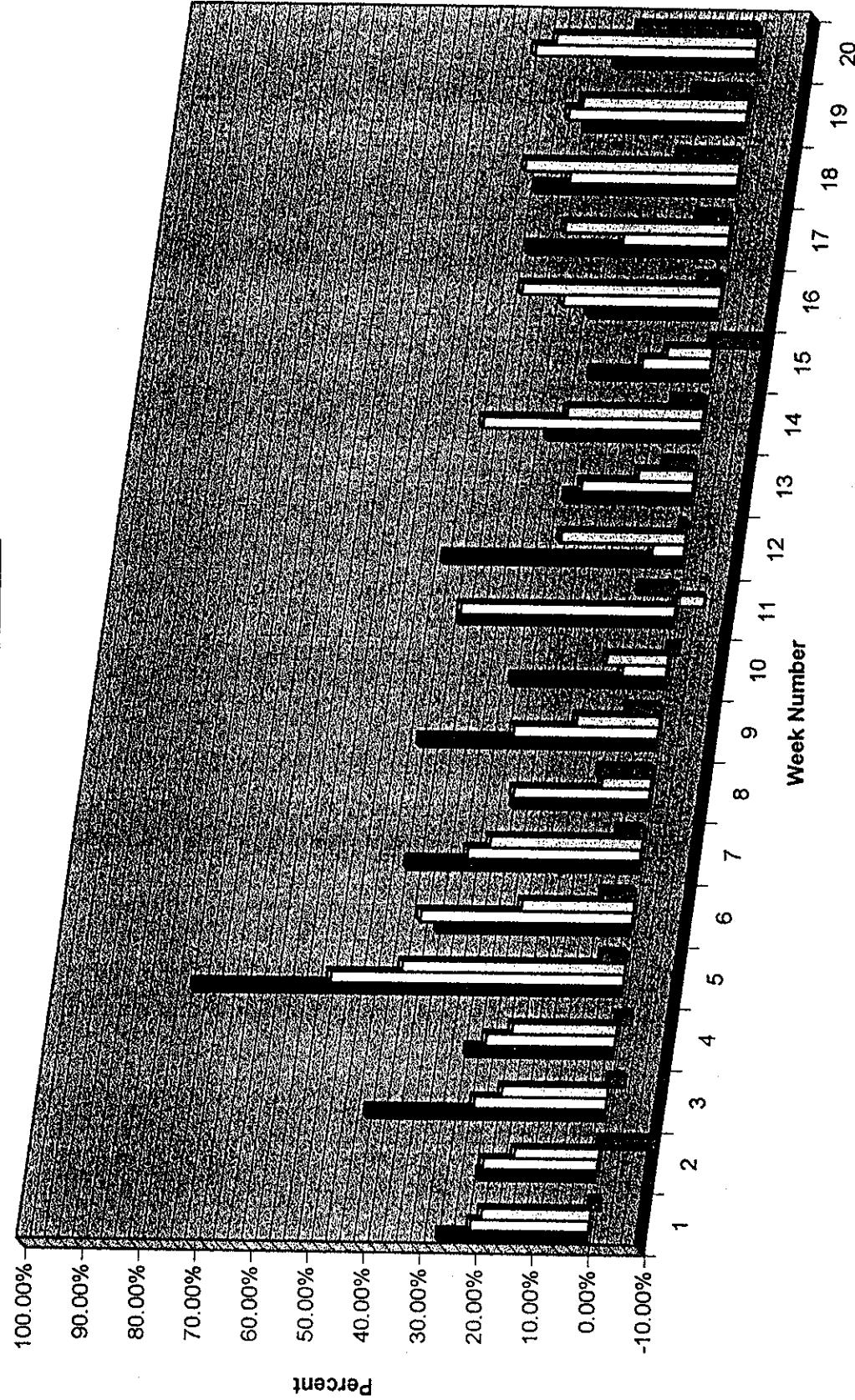
Staten Island 2002 sales vs 2001 sales by store YTD

All CHAIN  
■ 3529 □ 3673 □ 3676

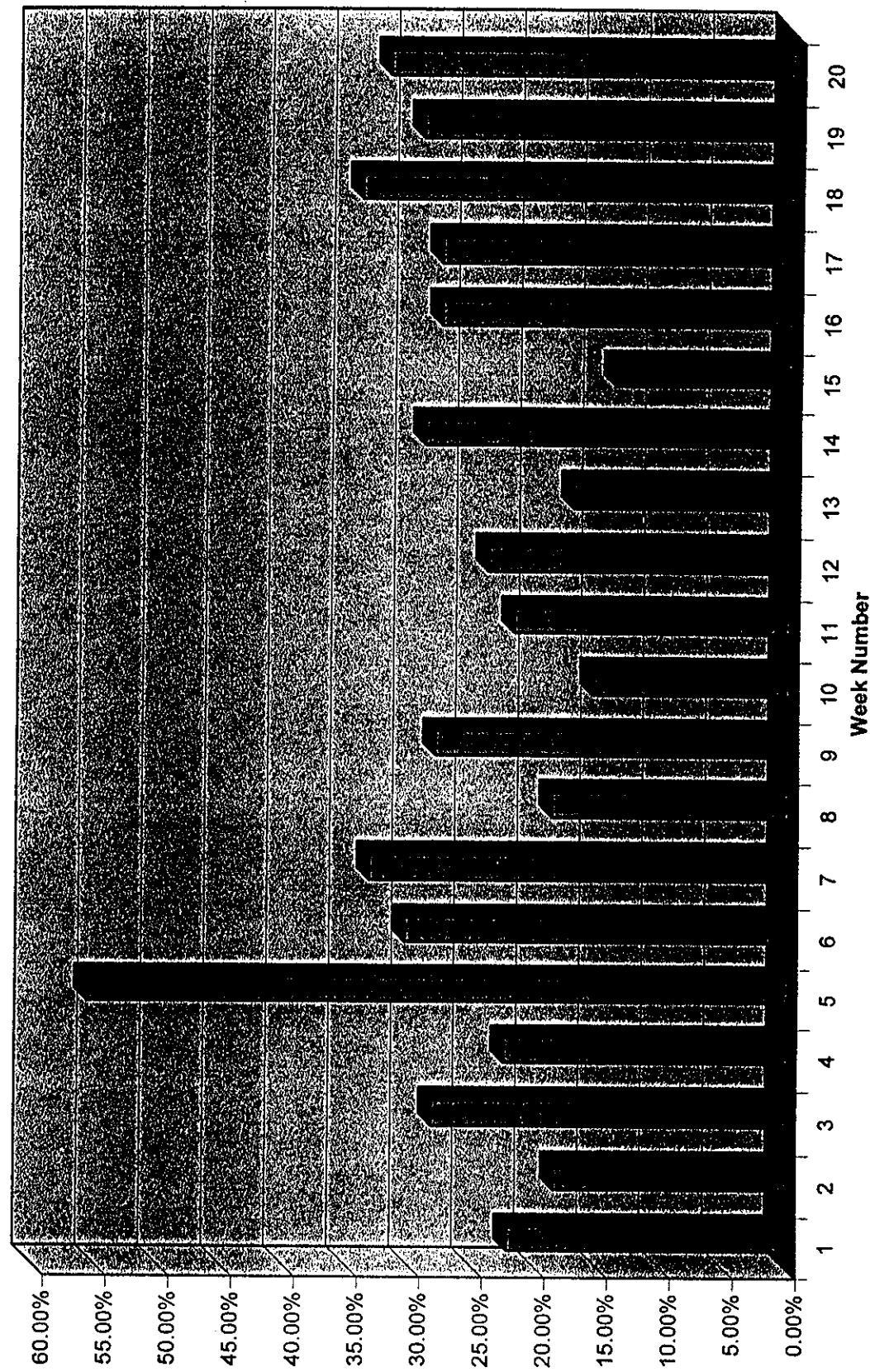


Staten Island 2002 sales vs 2001 sales by store YTD

Series  
■ 3529 □ 3673 □ 3676 ■ 3512

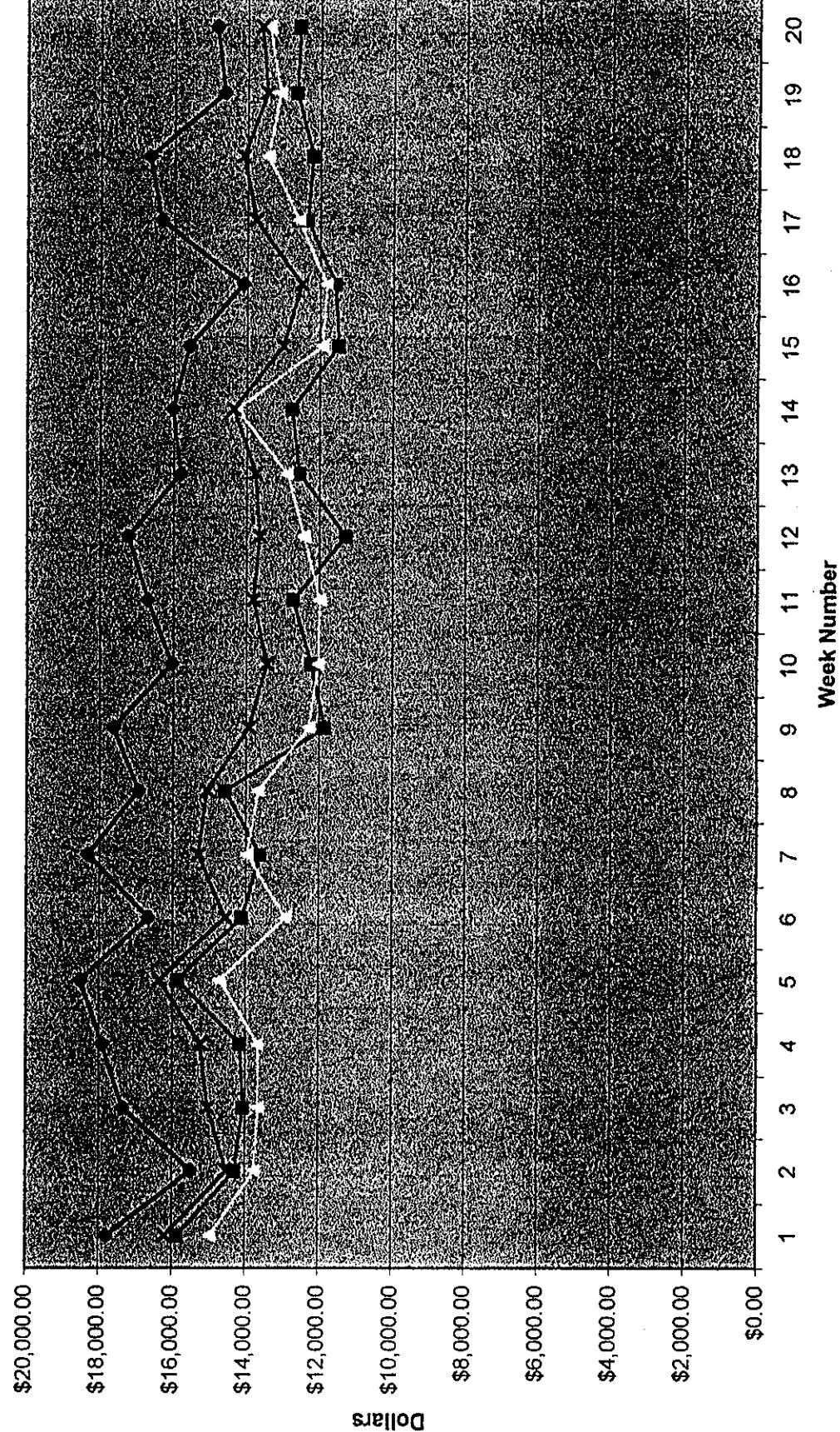


**Chris Shaffer's Franchise Average Sales Increases for 2002**



**Staten Island Sales by Store**

—●— 3529 Royalty Sales —■— 3673 Royalty Sales —★— 3676 Royalty Sales —◆— Franchise AWUS



**Exhibit “D”**



DOMINO'S PIZZA LLC  
FRANCHISE APPLICATION

**REQUIRED DOCUMENTS \***

- Copy of drivers license (front & back) - first time applicants only
- Copy of Franchise Development Certificate - first time applicants only
- Proof of all funds that are listed on Page 7 Box B (current within 30 days) - all applicants
- Letter of Intent signed & dated by buyer & seller - purchases only
- Seller's most recent profit & loss statement with year-to-date information - purchases only
- Applicants most recent financial statements (profit & loss, balance sheet, cash flow statements) with year-to-date information - existing franchisees only

\* Please be advised, upon review of this application, Domino's Pizza LLC may require you to submit additional information.

**APPLYING FOR**

Projected Opening/Transfer Date: \_\_\_\_\_

<input checked="" type="checkbox"/> Purchase	Store(s) # <u>3512</u>	Seller <u>Alex Poliakov</u>
<input type="checkbox"/> Build	<input type="checkbox"/> Refranchise	DMA <u>New York</u>
<input type="checkbox"/> Traditional	<input type="checkbox"/> C-Store	City/State <u>Staten Island NY</u>
<input type="checkbox"/> Store within Development Agreement		
<input type="checkbox"/> New Development Agreement*		

\*Fill in below for New Developments ONLY

DMA	Territory ID	Projected Opening Date

Are you being sponsored?  yes  no If yes, name of sponsor \_\_\_\_\_

**PERSONAL INFORMATION**

Full Name <u>Tan Brauch</u>	Social Security # <u>098-10-2413</u>
Mailing Address <u>23 Coachman Ln</u>	Office Phone <u>516-432-1234</u>
City <u>Levittown</u> State <u>N.Y.</u> Zip <u>11756</u>	Cellular Phone <u>516-375-7848</u>
Home Address <u>23 Coachman Ln</u>	Pager Number <u> </u>
City <u>Levittown</u> State <u>N.Y.</u> Zip <u>11756</u>	Fax Number <u>516-432-5074</u>
	E-mail Address <u>tan.brauch@comcast.net</u>

OTHER PERSONAL INFORMATION

1. Are you or your spouse currently involved or participation in any investments/other business?  yes  no  
 If so, please attach detailed letter explaining financial & operational obligations *Domino's Yesterdays*

2. Have you ever been convicted of anything other than minor traffic violations? Has any judgement ever been entered against you or your company or your employer where you were one of the litigants? Are you involved in pending litigation? Have you ever declared personal bankruptcy or has a corporation or partnership in which you were an owner, officer, or director, filed bankruptcy?  yes  no If so, explain:

---



---

3. If you are a first-time applicant, please indicate your previous one year Domino's employment history

Store # \_\_\_\_\_ Emp. Dates \_\_\_\_\_ / \_\_\_\_\_ to \_\_\_\_\_ Position \_\_\_\_\_  
 Employer's Name \_\_\_\_\_ Phone # \_\_\_\_\_  
 Store # \_\_\_\_\_ Emp. Dates \_\_\_\_\_ / \_\_\_\_\_ to \_\_\_\_\_ Position \_\_\_\_\_  
 Employer's Name \_\_\_\_\_ Phone # \_\_\_\_\_

MONEY NEEDED TO PURCHASE, BUILD OR REFRANCHISE A STOREA. PURCHASE/BUILD/REFRANCHISE

Purchase Price \$ 500,000  
 Franchise Fee \$ 1,500  
 Grand Opening advertising expenses \$ \_\_\_\_\_  
 Equipment (purchase or lease deposit) \$ \_\_\_\_\_  
 Leasehold preparation \$ \_\_\_\_\_  
 Rent deposit \$ \_\_\_\_\_  
 Monthly or prepaid rent \$ \_\_\_\_\_  
 Monthly or prepaid property taxes \$ \_\_\_\_\_  
 Monthly or prepaid utility & phone deposit \$ \_\_\_\_\_  
 Signs \$ \_\_\_\_\_  
 Permits and licenses \$ \_\_\_\_\_  
 Prepaid insurance (inc. workman's comp) \$ \_\_\_\_\_  
 Accounting and legal \$ \_\_\_\_\_  
 Moving expenses (if applicable) \$ \_\_\_\_\_  
 Opening store till(s) \$ \_\_\_\_\_  
 Base inventory \$ \_\_\_\_\_  
 Financing fees/closing costs \$ \_\_\_\_\_  
 Computer expense \$ \_\_\_\_\_  
 Software re-licensing fees \$ \_\_\_\_\_  
 Pre-opening/training expenses \$ \_\_\_\_\_  
 Advertising (pre-pd yellow pgs. ADVO) \$ \_\_\_\_\_  
 Salaries & wages \$ \_\_\_\_\_  
 Uniforms \$ \_\_\_\_\_

**TOTAL \$ 501,500**

B. FUNDS AVAILABLE (INCLUDE OTHER FUNDS YOU ARE UNABLE TO LIST)

Corporation/Business Funds:  
 Cash in bank - checking account \$ 21,500  
 Cash in bank - savings account \$ \_\_\_\_\_  
 Personal Funds:  
 Cash in bank - checking account \$ \_\_\_\_\_  
 Cash in bank - savings account \$ \_\_\_\_\_  
 Certificates of deposit (net of penalties) \$ \_\_\_\_\_  
 401K (net penalties & taxes) \$ \_\_\_\_\_  
 Securities/Investments \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

Loan Commitment Letter w/Terms

Amount of loan \$ \_\_\_\_\_  
 Name of bank/ institution 100% Finance By Seller 500,000  
 Amount of loan \$ \_\_\_\_\_  
 Name of bank/ institution \_\_\_\_\_

Gifted monies (must include gift letter & proof of funds) \$ \_\_\_\_\_

Funds Obtainable From Outside Investor(s)

Investor \$ \_\_\_\_\_  
 Investor \$ \_\_\_\_\_  
 Investor \$ \_\_\_\_\_  
 Investor \$ \_\_\_\_\_

For new ownership structures: All outside investors must submit a separate application & are subject to final approval of Domino's Pizza LLC

**TOTAL \$ 521,500**

**AVAILABLE WORKING CAPITAL: B. A.**

**TOTAL \$ 20,000**

## FRANCHISE OWNERSHIP INFORMATION

 Sole Proprietor Corporation Partnership Limited Liability Company (LLC)Name of Corporation/Partnership/LLC To be Registered

Federal ID # \_\_\_\_\_

Name of Owner	Address City/State/Zip	Phone	% of Ownership	Ownership Type
Ian Branch	N/A	N/A	51	Approved Franchisee
Chris Shaffer	127 Silver Lance Rd St. Island NY 10301	(917) 837-6582	49	Outside Investor

## ADDITIONAL INFORMATION

I certify that the information contained herein, including financial information, is current within thirty (30) days and accurate to the best of my knowledge. In addition, I give Domino's Pizza LLC permission to obtain credit records, motor vehicle reports, and conduct criminal investigations, at this time and from time-to-time thereafter, and I release Domino's Pizza LLC and/or its agents and any person or entity which provides information pursuant to this authorization, from any and all liabilities, claims or causes of action in regards to the information obtained from any and all of the reference sources used.

I hereby acknowledge and agree that in the event Domino's Pizza LLC approves me to own and operate a Domino's Pizza Store, I will not open or otherwise operate the Domino's Pizza Store prior to Domino's Pizza LLC's execution of my Standard Franchise Agreement.

Applicant's Signature

Ian BranchDate 6/1/02

Send complete application to:  
 Domino's Pizza LLC  
 30 Frank Lloyd Wright Drive  
 P.O. Box 997  
 Ann Arbor, MI 48106-0997  
 Attn: Franchise Services  
 (734) 930-3785 / phone  
 (734) 668-0342 / fax

LETTER OF INTENT

I, Alex Poliakov, agree to sell, and Ian Branch agrees to purchase my Domino's Pizza store located in Staten Island, New York. The stores are listed below.

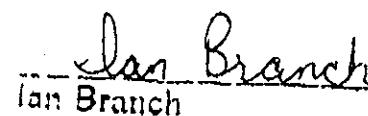
Store #

3512

Address

280 Broadway Staten Island, NY

The sale price for said store is \$500,000. This Letter of Intent will remain valid for 60 days and may be nullified by either party at any time prior to the expiration of this agreement. This sale is contingent upon acceptable financing terms and approval by Domino's Pizza LLC.

Alexandre PoliakovIan Branch



To whom it may concern:

I, Alex Poliakov D.P. franchisee of store 3512 am submitting this letter as a formal commitment to:

1. Sell my store to Tom Branch
2. Lend Tom Branch \$ 43,000 as working capital from my bank account.
3. Finance \$ 500,000 for next 10 years his purchase of my store

6/6/02

Alex Poliakov

Delivering a Million Smiles a Day.

Domino's Pizza, Inc. • 30 Frank Lloyd Wright Drive • P.O. Box 997 • Ann Arbor, Michigan 48106-0997 • Telephone: 734-930-3030

## REQUIRED DOCUMENTS

Copy of drivers license (front & back) - first time applicants only

Copy of Franchise Development Certificate - first time applicants only

Proof of all funds that are listed on Page 2, Box B (current within 30 days) - all applicants

Letter of Intent signed & dated by buyer & seller - purchases only

Seller's most recent profit & loss statement with year-to-date information - purchases only

Applicants most recent financial statements (profit & loss, balance sheet, cash flow statements) with year-to-date information - existing franchisees only

\* Please be advised, upon review of this application, Domino's Pizza LLC may require you to submit additional information.

## APPLYING FOR

## Projected Opening/Transfer Date

Build       Refranchise      DMA New York  
 Traditional     C-Store     Pizzazz      City/State Staten Island, NY  
 Store within Development Agreement  
 New Development Agreement\*

\*Fill in below for New Developments ONLY

DMA	Territory ID	Projected Opening Date

## PERSONAL INFORMATION

Full Name Tan Branch

Social Security # 095-70-2413

Mailing Address 23 Coachman Ln

Office Phone 516-432-1234

City Levittown State N.Y. Zip 11756

Cellular Phone 516-375-7848

Home Address 23 Coachman Ln

Pager Number

City Levittown State N.Y. Zip 11756

Fax Number 516-432-5074

Driver's License # 998 363 306 State

E-mail Address Coy.Ohful@aol.com

Of which country are you a citizen? U.S.

Home Phone

If other than US, submit a copy of your Alien Registration Card (front & back)

OTHER PERSONAL INFORMATION

- Are you or your spouse currently involved or participation in any investments/other business?  yes  no  
If so, please attach detailed letter explaining financial & operational obligations.
- Have you ever been convicted of anything other than minor traffic violations? Has any judgement ever been entered against you or your company or your employer where you were one of the litigants? Are you involved in pending litigation? Have you ever declared personal bankruptcy or has a corporation or partnership in which you were an owner, officer, or director, filed bankruptcy?  yes  no If so, explain:  
\_\_\_\_\_  
\_\_\_\_\_
- If you are a first-time applicant, please indicate your previous one year Domino's employment history

Store # \_\_\_\_\_ Emp. Dates \_\_\_\_\_ to \_\_\_\_\_ Position \_\_\_\_\_  
 Employer's Name \_\_\_\_\_ Phone # \_\_\_\_\_  
 Store # \_\_\_\_\_ Emp. Dates \_\_\_\_\_ to \_\_\_\_\_ Position \_\_\_\_\_  
 Employer's Name \_\_\_\_\_ Phone # \_\_\_\_\_

MONEY NEEDED TO PURCHASE, BUILD OR REFRANCHISE A STOREA. PURCHASE/BUILD/REFRANCHISE

Purchase Price	\$ 1,800,000
Franchise Fee	\$ 4,500
Grand Opening advertising expenses	\$ _____
Equipment (purchase or lease deposit)	\$ _____
Leasehold preparation	\$ _____
Rent deposit	\$ _____
Monthly or prepaid rent	\$ _____
Monthly or prepaid property taxes	\$ _____
Monthly or prepaid utility & phone deposit	\$ _____
Signs	\$ _____
Permits and licenses	\$ _____
Prepaid insurance (inc. workman's comp.)	\$ _____
Accounting and legal	\$ _____
Moving expenses (if applicable)	\$ _____
Opening store till(s)	\$ _____
Base inventory	\$ _____
Financing fees/closing costs	\$ _____
Computer expense	\$ _____
Software re-licensing fees	\$ _____
Pre-opening/training expenses	\$ _____
Advertising (pre-pd yellow pgs. ADVO)	\$ _____
Salaries & wages	\$ _____
Uniforms	\$ _____

**TOTAL \$ 1,804,500**

B. FUNDS AVAILABLE (list only those funds you will liquidate)

Corporation/Business Funds:	\$ 21,500
Cash in bank - checking account	\$ _____
Cash in bank - savings account	\$ _____
Personal Funds:	\$ _____
Cash in bank - checking account	\$ _____
Cash in bank - savings account	\$ _____
Certificates of deposit (net of penalties)	\$ _____
401K (net penalties & taxes)	\$ _____
Securities/Investments	\$ _____
Other	\$ _____

Loan Commitment Letter w/Terms	\$ _____
Amount of loan	\$ _____
Name of bank/ institution	\$ _____
<b>100% Finance by Seller 1,800,000</b>	\$ _____
Amount of loan	\$ _____
Name of bank / institution	\$ _____

Gifted monies (must include gift letter & proof of funds)	\$ _____
Funds Obtainable From Outside Investor(s)	\$ _____
Investor _____	\$ _____

For new ownership structures: All outside investors must submit a separate application & are subject to final approval of Domino's Pizza LLC.

**TOTAL \$ 1,821,500**

AVAILABLE WORKING CAPITAL: B - A

**TOTAL \$ 17,000**

## FRANCHISE OWNERSHIP INFORMATION

Sole Proprietor  Corporation  Partnership  Limited Liability Company (LLC)

Name of Corporation/Partnership/LLC To be registered

Federal ID # \_\_\_\_\_

Name of Owner	Address City/State/Zip	Phone	% of Ownership	Ownership Type
<u>Ian Branch</u>	N/A	N/A	51	Approved Franchisee
<u>Chris Shaffer</u>	<u>127 Silver Lane Rd St. Island NY 10301</u>	<u>(917) 837-6582</u>	<u>49</u>	<u>Outside Investor</u>

## ADDITIONAL INFORMATION

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I certify that the information contained herein, including financial information, is current within thirty (30) days and accurate to the best of my knowledge. In addition, I give Domino's Pizza LLC permission to obtain credit records, motor vehicle reports, and conduct criminal investigations, at this time and from time-to-time thereafter, and I release Domino's Pizza LLC and/or its agents and any person or entity which provides information pursuant to this authorization, from any and all liabilities, claims or causes of action in regards to the information obtained from any and all of the reference sources used.

I hereby acknowledge and agree that in the event Domino's Pizza LLC approves me to own and operate a Domino's Pizza Store, I will not open or otherwise operate the Domino's Pizza Store prior to Domino's Pizza LLC's execution of my Standard Franchise Agreement.

Applicant's Signature Ian Branch

Date 6/1/02

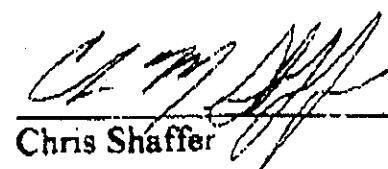
Send complete application to:  
 Domino's Pizza LLC  
 30 Frank Lloyd Wright Drive  
 P.O. Box 997  
 Ann Arbor, MI 48106-0997  
 Attn: Franchise Services  
 (734) 930-3785 / phone  
 (734) 668-0342 / fax

## LETTER OF INTENT

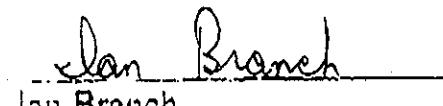
I, Chris Shaffer, agree to sell, and Ian Branch agrees to purchase my three Domino's Pizza stores located in Staten Island, New York. The stores are listed below:

<u>Store #</u>	<u>Address</u>
3329	1300 Hylan Blvd. Staten Island, NY
3676	1430 Richmond Ave. Staten Island, NY
3673	3902 Richmond Ave. Staten Island, NY

The sale price for said stores is \$1,800,000. This Letter of Intent will remain valid for 60 days and may be nullified by either party at any time prior to the expiration of this agreement. This sale is contingent upon acceptable financing terms and approval by Domino's Pizza LLC.



Chris Shaffer



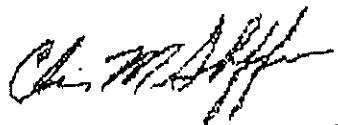
Ian Branch

### Financing Proposal

This is a proposal not a binding agreement

June 7, 2002

I, Chris Shaffer, propose to finance the buyer, Ian Branch, the full purchase price of \$1,800,000 for Domino's Pizza stores 3529, 3673, and 3676. This proposal is contingent upon approval from Domino's Pizza L.L.C. for Ian Branch to purchase said Domino's Pizza stores, all located in Staten Island, New York as well as other factors. Repayment terms will be finalized at the closing but the periodic payment will not exceed stores same period cash flow.



Chris Shaffer

**Exhibit "E"**



## NOTICE OF TERMINATION

### Personal and Confidential

June 21, 2002

BY CERTIFIED MAIL AND REGULAR MAIL  
#7160 3901 9844 5880 5299

Mr. Alexandre Poliakov  
Sell More Pizza, Inc.  
2625 Emmons Ave. #1-B  
Brooklyn, NY 11235

Dear Mr. Poliakov:

Please consider this letter to be official notification of termination of the Standard Franchise Agreement dated September 2, 1999, for Store 3512, located at 280 Broadway, Staten Island, NY 10310, by and between Sell More Pizza, Inc. and Domino's Pizza and all franchise rights thereunder. The termination of the Franchise Agreement is effective June 24, 2002.

This termination is based on your consistent failures to, at all times, maintain minimum insurance coverage, as required by Paragraph 18 ("TERMINATION AND EXPIRATION") of the Franchise Agreement. You have failed to provide proof of comprehensive general liability, motor vehicle liability, property insurance, workman's compensation insurance (as required by applicable law or such other comparable insurance as required by us), an umbrella policy, and such other insurance as the company requires. As you know, you were previously advised of your default under the Franchise Agreement in our official notification of default dated June 11, 2002. To date, the default has not been cured.

However, Domino's Pizza hereby agrees to stay legal proceedings to enforce the termination, until July 24, 2002. This will afford you the opportunity to sell your Store to a purchaser who is acceptable to Domino's Pizza, while also preserving the rights of Domino's Pizza under the Standard Franchise Agreement. Domino's Pizza's agreement to stay enforcement of the termination is specifically conditioned on, among other things, its option to purchase the assets of the Store being extended by a corresponding period of time. During the stay, the Store must be operated in accordance with the terms and conditions of the Franchise Agreement, with the exception that you may not offer delivery service. Due to the seriousness of this violation, you may operate as carry-out only. The time within which Domino's Pizza may exercise its option to purchase the assets of the Store will not begin to run. If you fail to comply with the Franchise Agreement, Domino's Pizza reserves the right to immediately and unilaterally lift the stay and enforce the termination.

In the event this stay is lifted by Domino's Pizza or in the event you are unable to consummate the sale of Store #3529, please be advised that the Franchise Agreement imposes certain obligations on you upon termination. Specifically, you must:

1. Immediately pay all royalty fees, advertising contributions and other charges as have or will hereafter become due and remain unpaid.

Mr. Alexandre Poliakov  
Sell More Pizza, Inc.  
June 21, 2002  
Page Two

3. Cancel all assumed name or equivalent registrations, relating to the use of any Domino's Pizza mark.

4. Notify the telephone company and all listing agencies of the termination of your right to use all telephone numbers and all classified and other directory listings and authorize same to be transferred to Domino's Pizza or its designee.

5. Not, directly or indirectly, in any manner identify yourself, the premises which was occupied by the Store or any business as a Domino's Pizza store, a former Domino's Pizza store, or as a franchisee of or otherwise associated with the company or use in any manner or for any purpose any mark or other indicia of a Domino's Pizza store.

6. At your expense, make such reasonable modifications to the interior and exterior of the store, as the Company requires, as to identify the premises as a Domino's Pizza store.

In addition, Paragraph 20.2 ("Post-Term Covenant") of the Franchise Agreement provides in relevant part, that for a period of one (1) year commencing on the effective date of termination or expiration of the Franchise Agreement you may not, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any other interest in, any carry-out or delivery pizza store business located at the premises of the store or within ten (10) miles of the premises of the store (except for other Domino's Pizza Stores operated under franchise agreements entered into between franchisee and the company or other Domino's Pizza Stores in which franchisee shall have an ownership interest).

Domino's Pizza intends to take all action it deems necessary to enforce its rights under the Franchise Agreement and expressly reserves the right to pursue any and all remedies available to it under the Franchise Agreement or state law. Your immediate attention to this matter is required.

Sincerely,



Valerie J. Clark  
Senior Legal Administrator  
Franchise Services  
(734) 930-3773

cc: Sandy Jamerson

**Exhibit "F"**



By UPS Express: 12A32V902210012513

June 25, 2002

Mr. Chris Shaffer  
127 Silver Lake Road  
Staten Island, NY 10301

Dear Mr. Shaffer:

We received an inter-office memorandum stating that the Standard Franchise Agreement for stores 3529 and 3676 has been terminated and will be enforced July 24, 2002. Domino's Pizza policy requires a store be placed on Collection On Delivery (C.O.D.), if any of the following occur:

- Payments received late twice within an eight week period
- Any payment returned due to NSF
- Past due balances not received prior to the next delivery
- Financial Default with any Domino's Pizza, LLC entity
- Operational Default with any Domino's Pizza, LLC entity

Your stores 3529, 3673, and 3676 have been placed on COD status. All future profit sharing and volume discount checks will be applied toward the past due balance. Interest will be charged on the past due amount at the rate of .25% per week, or the maximum rate allowed by law, whichever is less. We will require payment via telephone on each day a food order is placed for the invoiced amount prior to 7:00pm plus an additional payment of \$700.00 on store #3529, \$500.00 on store #3673 and \$575.00 on store #3676 or \$5,325.00 per week, that will be applied toward the balance of \$22,989.44.

A copy of your account is enclosed and the total balance outstanding is \$22,989.44. Your stores are receiving three deliveries per week. Your additional payment per week must total \$5,325.00.

We regret having to take this course of action and hope to get this issue cleared up quickly. Someone from the distribution center will call Alex Poliakov's cell phone # 917.837.7308 per your request with the invoice total by 6:30pm. If they do not call, Alex must call me at extension 227, Bob at 248, or Pat at 249. Alex must be sure to make the payment before 7:00 pm or your stores will forfeit delivery, holidays included. If a subsequent delivery or special arrangement is required to re-deliver the products, an additional delivery charge will be assessed. If you have any questions, please feel free to call me at 1-800-375-4362 extension 227.

Sincerely,

Janice Lombard  
Site Accountant

Cc: Alex Poliakov

Connecticut Distribution Center

14 International Drive, E. Granby, CT 06026 • Telephone: 860-653-8910 Fax: 860-653-8914



1ZA32V902210012371

June 25, 2002

Mr. Alex Poliakov  
Apt. 1B  
2625 Emmons Avenue  
Brooklyn, NY 11235

Dear Mr. Poliakov:

We received an inter-office memorandum stating that the Standard Franchise Agreement for store #3512 has been terminated and will be enforced July 24, 2002. Domino's Pizza policy requires a store be placed on Collection On Delivery (C.O.D.), if any of the following occur:

- Payments received late twice within an eight week period
- Any payment returned due to NSF
- Past due balances not received prior to the next delivery
- Financial Default with any Domino's Pizza, LLC entity
- Operational Default with any Domino's Pizza, LLC entity

Your store #3512 has been placed on COD status. All future profit sharing and volume discount checks will be applied toward the past due balance. Interest will be charged on the past due amount at the rate of .25% per week, or the maximum rate allowed by law, whichever is less. We will require payment via telephone on each day a food order is placed for the invoiced amount before 7:00 pm plus an additional payment of \$500.00 or \$1,500.00 per week, that will be applied toward the balance of \$6,665.30.

A copy of your account is enclosed and the total balance outstanding is \$6,665.30. Your store is receiving three deliveries per week. Your additional payment per week must total \$1,500.00.

We regret having to take this course of action and hope to get this issue cleared up quickly. Someone from the distribution center will call your cell phone # 917.837.7308 with the invoice total by 6:30pm. If they do not call, please call me at extension 227, Bob at 248, or Pat at 249. Please be sure to make the payment before 7:00pm or you will forfeit delivery, holidays included. If a subsequent delivery or special arrangement is required to re-deliver the products, an additional delivery charge will be assessed. If you have any questions, please feel free to call me at 1-800-375-4362 extension 227.

Sincerely,

*Janice Lombard*  
Janice Lombard  
Site Accountant

**Exhibit "G"**

**Mitchell J. Kassoff**  
**Attorney at Law**  
**Two Foster Court**  
**So. Orange, N.J. 07079-1002**

(973) 762-1776  
Facsimile (973) 762-1811

franchise.law@verizon.net  
www.concentric.net/~franatty

217 Broadway- 10th Fl.  
New York, N.Y. 10007-2998

June 26, 2002

**VIA FACSIMILE**  
(734) 668-0342  
Ms. Valerie J. Clark  
Senior Legal Administrator  
Domino's Pizza LLC

Re: Chris Shaffer, Staten Island, N.Y.- Stores 3529, 3673 & 3676  
Alexandre Poliakov, Staten Island, N.Y.- Store 3512

Dear Ms. Clark:

I have been retained by Messrs. Shaffer and Poliakov regarding their Domino's franchises and their relationship with Domino's. Quite simply, they wish to continue to operate their franchises without being harassed and discriminated against by Domino's. My clients have no desire to sell their franchises and resent the improper pressure that you are bringing to bear. I also note that the conditions that Domino's requires for a sale of a franchise would be difficult or impossible to meet within the thirty day time period stated in your correspondence.

The items that Domino's cites in its letters are obviously a subterfuge to attempt to allow Domino's to attempt to take the benefit the businesses for which my clients have labored and developed into profitable entities. I also note that your new requirements for product to be paid on a C.O.D. basis and not to allow deliveries are an obvious device to force my clients out of business. In any event, I have been informed that all problems of which Domino's complained have been rectified.

Litigation will not be in the interests of anyone. I propose a very simple solution to this situation. Withdraw all termination letters and notifications and allow my clients to continue to operate their franchises on the normal credit terms and sales methods which will be in everyone's benefit.

Very truly yours,

*Kassoff*  
MJK:ms

**Mitchell J. Kassoff**  
Attorney at Law  
Two Foster Court  
So. Orange, N.J. 07079-1002

(973) 762-1776.  
Facsimile (973) 762-1811

[franchise.law@verizon.net](mailto:franchise.law@verizon.net)  
[www.concentric.net/~franatty](http://www.concentric.net/~franatty)

217 Broadway- 10th Fl.  
New York, N.Y. 10007-2998

June 26, 2002

**VIA FACSIMILE**  
(860) 653-8914  
Ms. Janice Lombard  
Site Accountant  
Domino's Pizza LLC

Re: Chris Shaffer, Staten Island, N.Y.- Stores 3529, 3673 & 3676  
Alexandre Poliakov, Staten Island, N.Y.- Store 3512

Dear Ms. Lombard:

I have been retained by Messrs. Shaffer and Poliakov regarding their Domino's franchises and their relationship with Domino's. The placing of their franchises on Operational Default was improper.

By taking the actions stated in your letters of June 25, 2002, you are causing my clients continuing damages. My clients wish to continue to operate their franchises without being damaged, harassed and discriminated against by Domino's.

I request that you reconsider these actions and allow my clients to continue to operate their franchises on the normal credit terms and sales methods, which will be in everyone's benefit.

Very truly yours,

  
MJK:ms

**Exhibit "H"**



## ENFORCEMENT OF TERMINATION

Personal and Confidential

June 27, 2002

### HAND DELIVERY

Mr. Christopher M. Shaffer  
Richmond Pizza Inc.  
127 Silver Lake Road  
Staten Island, NY 10301

Dear Mr. Shaffer:

Pursuant to the termination letter dated June 21, 2002, your Standard Franchise Agreement dated January 5, 1996, for Store #3676 located at 1430 Richmond Avenue, Staten Island, NY 10314 was terminated effective June 24, 2002. This termination was based on your failure to provide proof of all insurance coverage and repeated violations.

However, Domino's Pizza stayed the enforcement of the termination for a period of time, but only if you complied with all of the necessary conditions listed in our letter to you dated June 21, 2002. You have failed or refused to comply with the conditions of the June 21, 2002 letter, including but not limited to maintaining proper insurance coverage and operating in compliance with standards.

Therefore, Domino's Pizza is immediately enforcing the termination of the Franchise Agreement dated January 5, 1996 for Store #3676. Please be advised that the Franchise Agreement imposes certain obligations on you upon termination. Specifically, you must:

- 1) Immediately pay all royalty fees, advertising contributions and other charges as have or will hereafter become due and remain unpaid.
- 2) Immediately return to Domino's Pizza all copies of the Operating Manual.
- 3) Cancel all assumed name or equivalent registrations relating to the use of any Domino's Pizza mark.
- 4) Notify the telephone company and all listing agencies of the termination of your right to use all telephone numbers and all classified and other directory listings and authorize same to be transferred to Domino's Pizza or its designee.
- 5) Not, directly or indirectly, in any manner, identify yourself, the premises which was occupied by the Store, or any business as a Domino's Pizza store, a former Domino's Pizza store, or as a franchisee of or otherwise associated with the company or use in any manner or for any purpose any mark or other indicia of a Domino's Pizza store.

**"Exceptional People on a Mission to be the Best Pizza Delivery Company in the World"**

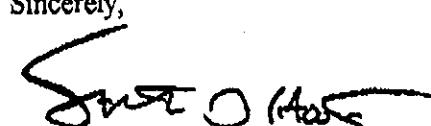
Mr. Christopher M. Shaffer  
Richmond Pizza Inc.  
June 27, 2002  
Page Two

- 6) At your expense, make such reasonable modifications to the interior and exterior of the store, as the Company requires to de-identify the premises as a Domino's Pizza store.

In addition, Paragraph 20.2 ("Post-Term Covenant") of the Franchise Agreement provides in relevant part, that for a period of one (1) year commencing on the effective date of termination or expiration of the Franchise Agreement you may not, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any other interest in, any carryout or delivery pizza store business located at the premises of the store or within ten (10) miles of the premises of the store (except for other Domino's Pizza Stores operated under Franchise Agreements entered between franchisee and the company or other Domino's Pizza stores in which franchisee shall have an ownership interest).

Domino's Pizza intends to take all necessary action to enforce its right under the Franchise Agreement and expressly reserves the right to pursue any and all remedies available to it under the Franchise Agreement(s) or state law. Your immediate attention to this matter is required.

Sincerely,

  
Scott D. Hoots  
Franchise Operations Director  
Baltimore Zone Office



## ENFORCEMENT OF TERMINATION

Personal and Confidential

June 27, 2002

### HAND DELIVERY

Mr. Christopher M. Shaffer  
Al's Hylian, Inc.  
127 Silver Lake Road  
Staten Island, NY 10301

Dear Mr. Shaffer:

Pursuant to the termination letter dated June 21, 2002, your Standard Franchise Agreement dated December 9, 1996, for Store #3529 located at 1300 Hylan Blvd., Staten Island, NY 10304 was terminated effective June 24, 2002. This termination was based on your failure to provide proof of all insurance coverage and repeated violations.

However, Domino's Pizza stayed the enforcement of the termination for a period of time, but only if you complied with all of the necessary conditions listed in our letter to you dated June 21, 2002. You have failed or refused to comply with the conditions of the June 21, 2002 letter, including but not limited to maintaining proper insurance coverage and operating in compliance with standards.

Therefore, Domino's Pizza is immediately enforcing the termination of the Franchise Agreement dated December 9, 1996 for Store #3529. Please be advised that the Franchise Agreement imposes certain obligations on you upon termination. Specifically, you must:

- 1) Immediately pay all royalty fees, advertising contributions and other charges as have or will hereafter become due and remain unpaid.
- 2) Immediately return to Domino's Pizza all copies of the Operating Manual.
- 3) Cancel all assumed name or equivalent registrations relating to the use of any Domino's Pizza mark.
- 4) Notify the telephone company and all listing agencies of the termination of your right to use all telephone numbers and all classified and other directory listings and authorize same to be transferred to Domino's Pizza or its designee.
- 5) Not, directly or indirectly, in any manner, identify yourself, the premises which was occupied by the Store, or any business as a Domino's Pizza store, a former Domino's Pizza store, or as a franchisee of or otherwise associated with the company or use in any manner or for any purpose any mark or other indicia of a Domino's Pizza store.

**"Exceptional People on a Mission to be the Best Pizza Delivery Company in the World"**

Mr. Christopher M. Shaffer

Al's Hylan, Inc.

June 27, 2002

Page Two

- 6) At your expense, make such reasonable modifications to the interior and exterior of the store, as the Company requires to de-identify the premises as a Domino's Pizza store.

In addition, Paragraph 20.2 ("Post-Term Covenant") of the Franchise Agreement provides in relevant part, that for a period of one (1) year commencing on the effective date of termination or expiration of the Franchise Agreement you may not, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any other interest in, any carryout or delivery pizza store business located at the premises of the store or within ten (10) miles of the premises of the store (except for other Domino's Pizza Stores operated under Franchise Agreements entered between franchisee and the company or other Domino's Pizza stores in which franchisee shall have an ownership interest).

Domino's Pizza intends to take all necessary action to enforce its right under the Franchise Agreement and expressly reserves the right to pursue any and all remedies available to it under the Franchise Agreement(s) or state law. Your immediate attention to this matter is required.

Sincerely,



Scott D. Hoots  
Franchise Operations Director  
Baltimore Zone Office



## ENFORCEMENT OF TERMINATION

Personal and Confidential

June 27, 2002

### HAND DELIVERY

Mr. Christopher M. Shaffer  
Chris Amboy Pizza Inc.  
127 Silver Lake Road  
Staten Island, NY 10301

Dear Mr. Shaffer:

Pursuant to the termination letter dated April 4, 2002, your Standard Franchise Agreement dated October 31, 1998, for Store #3673 located at 3902 Richmond Ave., Staten Island, NY 10312 was terminated effective April 7, 2002. This termination was based on repeated violations.

However, Domino's Pizza stayed the enforcement of the termination to allow you to sell your store to an acceptable purchaser. To date no store sale has occurred. In addition, you have failed or refused to comply with the conditions of the stay, including but not limited to maintaining proper insurance coverage.

Therefore, Domino's Pizza is immediately enforcing the termination of the Franchise Agreement dated October 31, 1998 for Store #3673. Please be advised that the Franchise Agreement imposes certain obligations on you upon termination. Specifically, you must:

- 1) Immediately pay all royalty fees, advertising contributions and other charges as have or will hereafter become due and remain unpaid.
- 2) Immediately return to Domino's Pizza all copies of the Operating Manual.
- 3) Cancel all assumed name or equivalent registrations relating to the use of any Domino's Pizza mark.
- 4) Notify the telephone company and all listing agencies of the termination of your right to use all telephone numbers and all classified and other directory listings and authorize same to be transferred to Domino's Pizza or its designee.
- 5) Not, directly or indirectly, in any manner, identify yourself, the premises which was occupied by the Store, or any business as a Domino's Pizza store, a former Domino's Pizza store, or as a franchisee of or otherwise associated with the company or use in any manner or for any purpose any mark or other indicia of a Domino's Pizza store.

**"Exceptional People on a Mission to be the Best Pizza Delivery Company in the World"**

Mr. Christopher M. Shaffer  
Chris Amboy Pizza Inc.  
June 27, 2002  
Page Two

- 6) At your expense, make such reasonable modifications to the interior and exterior of the store, as the Company requires to de-identify the premises as a Domino's Pizza store.

In addition, Paragraph 20.2 ("Post-Term Covenant") of the Franchise Agreement provides in relevant part, that for a period of one (1) year commencing on the effective date of termination or expiration of the Franchise Agreement you may not, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any other interest in, any carryout or delivery pizza store business located at the premises of the store or within ten (10) miles of the premises of the store (except for other Domino's Pizza Stores operated under Franchise Agreements entered between franchisee and the company or other Domino's Pizza stores in which franchisee shall have an ownership interest).

Domino's Pizza intends to take all necessary action to enforce its right under the Franchise Agreement and expressly reserves the right to pursue any and all remedies available to it under the Franchise Agreement(s) or state law. Your immediate attention to this matter is required.

Sincerely,



Scott D. Hoots  
Franchise Operations Director  
Baltimore Zone Office



## ENFORCEMENT OF TERMINATION

Personal and Confidential

June 27, 2002

### HAND DELIVERY

Mr. Alexandre Poliakov  
Sell More Pizza, Inc.  
2625 Emmons Ave. #1-B  
Brooklyn, NY 11235

Dear Mr. Poliakov:

Pursuant to the termination letter dated June 21, 2002 your Standard Franchise Agreement dated September 2, 1999, for Store #3512 located at 280 Broadway, Staten Island, NY 10310 was terminated effective June 24, 2002. This termination was based on your failure to maintain proper insurance coverage.

However, Domino's Pizza stayed the enforcement of the termination for a period of time but only if you complied with all of the necessary conditions listed in our letter to you dated June 21, 2002. You have failed or refused to comply with the conditions of the June 21, 2002 letter, including but not limited to maintaining proper insurance coverage and operating in compliance with standards.

Therefore, Domino's Pizza is immediately enforcing the termination of the Franchise Agreement dated September 2, 1999 for Store #3512. Please be advised that the Franchise Agreement imposes certain obligations on you upon termination. Specifically, you must:

- 1) Immediately pay all royalty fees, advertising contributions and other charges as have or will hereafter become due and remain unpaid.
- 2) Immediately return to Domino's Pizza all copies of the Operating Manual.
- 3) Cancel all assumed name or equivalent registrations relating to the use of any Domino's Pizza mark.
- 4) Notify the telephone company and all listing agencies of the termination of your right to use all telephone numbers and all classified and other directory listings and authorize same to be transferred to Domino's Pizza or its designee.
- 5) Not, directly or indirectly, in any manner, identify yourself, the premises which was occupied by the Store, or any business as a Domino's Pizza store, a former Domino's Pizza store, or as a franchisee or otherwise associated with the company or use in any manner or for any purpose any mark or other indicia of a Domino's Pizza store.

**"Exceptional People on a Mission to be the Best Pizza Delivery Company in the World"**

Domino's Pizza, LLC. • 857 Elkridge Landing Road • Suite 500 • Linthicum Heights, Maryland 21090-2928 • Telephone: 410-859-3030

Mr. Alexandre Poliakov  
Sell More Pizza, Inc.  
June 27, 2002  
Page Two

- 6) At your expense, make such reasonable modifications to the interior and exterior of the store, as the Company requires to de-identify the premises as a Domino's Pizza store.

In addition, Paragraph 20.2 ("Post-Term Covenant") of the Franchise Agreement provides in relevant part, that for a period of one (1) year commencing on the effective date of termination or expiration of the Franchise Agreement you may not, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any other interest in, any carryout or delivery pizza store business located at the premises of the store or within ten (10) miles of the premises of the store (except for other Domino's Pizza Stores operated under Franchise Agreements entered between franchisee and the company or other Domino's Pizza stores in which franchisee shall have an ownership interest).

Domino's Pizza intends to take all necessary action to enforce its right under the Franchise Agreement and expressly reserves the right to pursue any and all remedies available to it under the Franchise Agreement(s) or state law. Your immediate attention to this matter is required.

Sincerely,



Scott D. Hoots  
Franchise Operations Director  
Baltimore Zone Office

**Exhibit "I"**

